



Washington, D.C. 20505

20 June 2019

Mr. Jens Porup
MuckRock News
DEPT MR 37565
411A Highland Avenue
Somerville, MA 02144-2516

Reference: F-2017-01703

Dear Mr. Porup:

This is a final response to your 11 May 2017 Freedom of Information Act (FOIA) request for records pertaining to **Leopold Infeld**. We processed your request in accordance with the FOIA, 5 U.S.C. § 552, as amended, and the CIA Information Act, 50 U.S.C. § 3141, as amended. We conducted a search for records that would reveal an openly acknowledged affiliation and located three previously released documents, consisting of 82 pages. Copies of the documents are enclosed.

To the extent that your request also seeks records that would reveal a classified association between the CIA and the subject, if any exist, we can neither confirm nor deny having such records, pursuant to Section 3.6(a) of Executive Order 13526, as amended. If a classified association between the subject and this organization were to exist, records revealing such a relationship would be properly classified and require continued safeguards against unauthorized disclosure. You may consider this finding a denial of this portion of your request pursuant to FOIA exemptions (b)(1) and (b)(3). Exemption (b)(3) pertains to information exempt from disclosure by statute. In this case, the relevant statutes are Section 6 of the Central Intelligence Agency Act of 1949, 50 U.S.C. § 3507, as amended, and Section 102A(i)(1) of the National Security Act of 1947, 50 U.S.C. 3024(i)(1), as amended. I have enclosed an explanation of exemptions for your reference and retention. As the CIA Information and Privacy Coordinator, I am the CIA official responsible for this determination. You have the right to appeal this response to the Agency Release Panel, in my care, within 90 days from the date of this letter. Please include the basis of your appeal.

If you have any questions regarding our response, you may contact us at:

Central Intelligence Agency
Washington, DC 20505
Information and Privacy Coordinator
703-613-3007 (Fax)

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703-613-1287 (FOIA Hotline)

The contact information for OGIS is:

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Contacting the CIA's FOIA Public Liaison or OGIS does not affect your right to pursue an administrative appeal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allison Fong', with a long horizontal flourish extending to the right.

Allison Fong
Information and Privacy Coordinator

Enclosures

Explanation of Exemptions

Freedom of Information Act:

- (b)(1) exempts from disclosure information currently and properly classified, pursuant to an Executive Order;
- (b)(2) exempts from disclosure information, which pertains solely to the internal personnel rules and practices of the Agency;
- (b)(3) exempts from disclosure information that another federal statute protects, provided that the other federal statute either requires that the matters be withheld, or establishes particular criteria for withholding or refers to particular types of matters to be withheld. The (b)(3) statutes upon which the CIA relies include, but are not limited to, the CIA Act of 1949;
- (b)(4) exempts from disclosure trade secrets and commercial or financial information that is obtained from a person and that is privileged or confidential;
- (b)(5) exempts from disclosure inter-and intra-agency memoranda or letters that would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) exempts from disclosure information from personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of privacy;
- (b)(7) exempts from disclosure information compiled for law enforcement purposes to the extent that the production of the information (A) could reasonably be expected to interfere with enforcement proceedings; (B) would deprive a person of a right to a fair trial or an impartial adjudication; (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy; (D) could reasonably be expected to disclose the identity of a confidential source or, in the case of information compiled by a criminal law enforcement authority in the course of a criminal investigation or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source; (E) would disclose techniques and procedures for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law; or (F) could reasonably be expected to endanger any individual's life or physical safety;
- (b)(8) exempts from disclosure information contained in reports or related to examination, operating, or condition reports prepared by, or on behalf of, or for use of an agency responsible for regulating or supervising financial institutions; and
- (b)(9) exempts from disclosure geological and geophysical information and data, including maps, concerning wells.

April 2012



Scientific Intelligence Report


THE POLISH ATOMIC ENERGY PROGRAM

NOTICE

The conclusions, judgments, and opinions contained in this finished intelligence report are based on extensive scientific intelligence research and represent the final and considered views of the Office of Scientific Intelligence.


31 December 1958

CENTRAL INTELLIGENCE AGENCY
OFFICE OF SCIENTIFIC INTELLIGENCE


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THE POLISH ATOMIC ENERGY PROGRAM

PROBLEM

To assess the status and objectives of the Polish atomic energy program.

CONCLUSIONS

1. Poland is systematically implementing a comprehensive, long-range program for the development of atomic energy. The program calls for nuclear research, nuclear power production, and the development of supporting industries. Major emphasis probably will be placed on the development of nuclear power in order to conserve Polish coal supplies. Isotopes will be produced for research and industry, and nuclear ship propulsion probably will receive some attention.

2. The entire atomic energy program has received preferential treatment by the government in the form of financial aid, greater academic freedom, and less restraint on foreign travel and foreign scientific contacts. As a result, the program has attracted the best Polish scientific personnel into its top echelons and has been implemented with adequate equipment and facilities. The facilities now in use and those under construction have been well tailored to the Polish program and will permit the effective accomplishment of its objectives. The current temporary shortage of technical specialists is being alleviated by an accelerated training program that will

probably provide adequate staffs in the near future.

3. Poland, of necessity, has relied on the USSR for aid in the establishment of its atomic energy program but will endeavor to increase existing contacts with other countries, including Western ones, in order to obtain maximum benefits from foreign knowledge and technology.

4. By 1970, Poland probably will have the necessary plants and equipment to process all of the domestically available fissionable materials required for its program. By that time, it will not need to rely on foreign countries for the production of nuclear materials and equipment or for the extraction of plutonium from irradiated fuel rods used in its reactors. Nevertheless, it will continue to purchase moderating materials abroad.

5. For the foreseeable future, Poland will undoubtedly continue to concentrate its efforts and resources on peaceful uses of atomic energy. Even if that nation were to institute a program to produce nuclear weapons immediately, it would not have the production capability prior to 1970.

SUMMARY

The Polish long-range plan for the development of atomic energy as approved in March 1957 provided for a comprehensive program of construction, research, and training. The plan provides for the construction of two research reactors by 1963 in addition to a Soviet-furnished 2-megawatt research reactor that went critical on 31 May 1958. Plants for the concentration of uranium ore, the production of uranium metal, fuel element fabrication, and the extraction of plutonium are to be constructed during the period 1962-68. The first power reactor is to be constructed by 1965, and by 1970 the combined capacity of installed nuclear power plants is to total 600 electrical megawatts. By 1975, nuclear energy will furnish 10 percent of the total installed electric capacity. The Poles consider the development of nuclear electric power plants to be of the utmost importance, in view of the anticipated increase in Polish electric power consumption and the consequent drain on coal resources. Research at all existing nuclear research institutes is to be expanded, and the training of scientists and technicians is to be increased.

The atomic energy program is currently under the control of the Polish State Council for Affairs for the Peaceful Application of Nuclear Energy (hereafter called the State Council). A Plenipotentiary of the Government heads this State Council. Nuclear research is carried out at the various branches of the Institute of Nuclear Research operated by the Polish Academy of Sciences (*Polska Akademia Nauk*), PAN. Although a shortage of trained personnel prevents the adequate staffing of the expanding atomic energy program, this shortage will be alleviated in a few years when students begin to graduate from the many newly established courses in various Polish institutes and universities, and when others return from their training in foreign countries.

Poland has received the major part of its foreign aid from the Soviets through a 1955

atomic energy agreement. Under the agreement, the USSR has sold Poland a reactor, a cyclotron, and isotopes and has trained a small number of Poles in Soviet institutions. Since 1947, on the other hand, Poland has been supplying the Soviet Union with small amounts of low-grade uranium ore. However, the Soviet purchase of Polish ore is expected to end in 1958. Another agreement for Soviet aid to the Poles, signed in January 1958, provides for the design and construction of a second research reactor and a nuclear power plant, for technical assistance in nuclear research, for assistance in uranium production, and for additional training of personnel.

Aid from Western countries has been negligible, but collaboration between Poland and the West has taken place, generally in the form of exchange visits by atomic energy delegations and some exchange of scientific information.

Under its long-range plan, Poland intends to increase the number and scope of its international scientific and technical agreements and to participate more actively in international organizations such as the International Atomic Energy Agency and the Joint Institute for Nuclear Research in Dubna, USSR.

Poland is currently dependent on the USSR for the supply of fissionable material and for aid in the construction of certain nuclear installations but expects that by about 1970 it will have the necessary plants to do all of the processing required by its program. By exploiting its uranium ore for domestic consumption and with its various plants for processing uranium ore, producing uranium metal, and extracting plutonium, Poland will not need to purchase fissionable material or fuel rods from or return irradiated fuel rods to the USSR or any other country. Moderating materials, which Poland does not plan to produce, can be purchased from a number of sources.

Poland is depending on the atomic energy program to benefit its economy primarily by providing nuclear power and thus conserving coal (an important export commodity) but further by supplying isotopes and research results to agriculture and industry for peaceful applications. Poland is not expected to attempt the production of nuclear weapons, even if such an effort were permitted by the USSR. If Poland should decide to devote

research effort, manpower, materials, and money to the production of nuclear weapons, no plutonium would be available from within Poland until 1968 at the earliest, when the plutonium separation plant is planned to begin operation. Allowing for possible delay in the construction of this plant and for time to fabricate a weapon, it would probably be at least 1970 before the first Polish nuclear weapon could be tested.

DISCUSSION

DEVELOPMENT AND ORGANIZATION OF THE POLISH ATOMIC ENERGY PROGRAM

Until 1953, nuclear research and the application of nuclear energy were not regarded by the Poles as pressing problems. The Poles felt that their capabilities and resources should be devoted to more immediate national needs. In 1953, the Institute of Physics of the PAN was established, and preliminary investigations into the nuclear sciences were started. By 1954, preparatory work had begun on the construction of a small graphite moderated, natural uranium fueled exponential pile.¹

In January 1955, the USSR announced that it would grant aid in atomic energy to those Satellite countries that supplied uranium to the Soviet Union. By the terms of the aid agreement signed between Poland and the Soviet Union, the USSR would: (a) supply the design, materials, and equipment for a 2-megawatt research reactor and a 25-million electron volt cyclotron; (b) provide assistance in assembling and putting the reactor and cyclotron into operation; (c) supply radioactive isotopes; and (d) train scientists and technicians in Soviet institutes in subjects relative to nuclear energy.

In June 1955, the PAN took two steps designed to make the most of the Soviet offer. First, it established the Institute of Nuclear Research to be responsible for research on reactor physics, isotope production, nuclear instrument design, and radiation effects and to receive the Soviet-supplied reactor and cy-

clotron. Second, it created a Committee for the Peaceful Uses of Nuclear Energy (hereafter referred to as the PAN Committee). The PAN Committee, composed of some 30 members and chaired by Leopold Infeld, was to plan and coordinate nuclear research projects and peaceful uses of atomic energy and to coordinate the training of nuclear specialists.

In August 1955, Poland sent five delegates and 13 advisors to the International Conference on the Peaceful Uses of Atomic Energy in Geneva. Five papers were presented by Poland—all on basic nuclear physics. By participating in the conference, attending the many discussions which took place on the various papers, and viewing the various displays, the Poles gained a great deal of information applicable to their own atomic energy program.

In March 1956, Polish delegates attended the conference organizing the Soviet-sponsored Joint Institute for Nuclear Research at Dubna, USSR. On 26 March 1956, by signing a formal agreement signifying participation in the activities of the Institute, Poland agreed to make an annual contribution of 6.75 percent of the operating expenses. Professor Marian Danysz was elected as one of the two deputy directors of the Institute and three Polish scientists were named to the Institute's Scientific Council.

In April 1956, the PAN authorized the construction of two branches for its Institute of Nuclear Research, one at Swierk near Warsaw

where the reactor was to be installed, and the other at Bronowice near Krakow where the cyclotron was to be installed.

Active participation by the Federal Government in the Polish atomic energy program, which up to this time had been the domain of the PAN, began on 11 July 1956, when the president of the Council of Ministers appointed Wilhelm Billig as the Plenipotentiary of the Government for the Application of Nuclear Energy. His first assignment was to prepare a long-range plan for the development of atomic energy in Poland. On 18 August 1956, the Presidium of the Government established a second nuclear energy organization, the State Council for Affairs for the Peaceful Application of Nuclear Energy. The State Council was to be responsible for all applications of nuclear energy. The State Council, which is on a par with a ministry, is chaired by the Plenipotentiary of the Government and is composed of a representative of the PAN Committee, representatives of the interested agencies and institutes, and leading scientists and specialists.²² Since 1956, the organization of the atomic energy program has remained stable. No new organizations have been created and no major changes in the top administrative personnel have been made.

THE POLISH LONG-RANGE PLAN FOR ATOMIC ENERGY

In September 1956, the State Council and the PAN Committee began work on a long-range plan for atomic energy. The draft plan was approved in principal by a joint session of the two bodies in March 1957. The plan as approved outlined the goals to be achieved by Poland in nuclear research and nuclear power for the period to 1970, the resources available to carry out the plan, and the steps required to fulfill the goals.²³

The plan calls for the construction of two additional research reactors by 1963. The first of these was to be constructed according to Polish plans and with Polish resources, except that enriched fuel would be imported. However, the January 1958 agreement with the USSR provided for Soviet aid in the de-

sign and construction of this reactor. This reactor is to have a higher flux than the one now in operation and will be operating by 1961. The second additional reactor would be a material-test type of 8 to 10 megawatts and would be constructed with the aid of several other Satellite countries. This reactor would be placed in operation by the end of 1963, either in Poland or one of the other cooperating countries.

The long-range plan includes a preliminary survey of anticipated Polish power requirements and the sources of energy which would be required to fill these requirements. Even if hydroelectric resources were expanded intensively, they would be insufficient, thus the great percentage of the increase in power production must come from other sources. If coal were used to fill the gap between the current existing capacity and the capacity required in the future, it is estimated that by 1980 all coal exports, which together with coke furnish over 40 percent of the value of Polish exports, would be cut off in order to feed the thermal power stations. In order to preserve coal for export, therefore, the plan proposes the construction of nuclear power plants with a combined capacity of 600 electrical megawatts by 1970, the date when cuts in coal exports would otherwise begin.²⁴ During the period 1970-75, additional nuclear electric power plants will be put into operation so that the installed capacity of nuclear plants alone should equal about 10 percent of the total installed capacity of all types of plants. The total installed capacity for 1975 is estimated at 21,000 electrical megawatts.²⁵

The immediate plan for nuclear power calls for the construction of the first plant by 1965. This would be a 200-MWE plant, probably gas-cooled and graphite-moderated.²⁶ The 1958 agreement with the USSR provided that the Soviet Union would supply power plant equipment not available from Polish industry and provide aid in the design and construction of the plant.²⁷

While the long-range plan states that Poland, a seafaring nation, should keep abreast of developments in nuclear propulsion

for ships and should plan to have its first such vessel by 1970, no definite type or size of ship is designated.¹⁸ More recent reports state that plans are now being drawn up for a nuclear propelled tanker of 35,000 tons with a power plant of 24,000 HP. The tanker would be constructed at the Gdansk shipyard.¹⁹

The atomic energy plan calls for the construction of the following processing plants to provide the necessary nuclear materials to operate the projected reactors: a uranium ore concentrating plant to produce concentrates of 80 percent uranium by 1962; a uranium metal plant by 1965; a fuel element fabrication plant by 1968; and a plant for the extraction of plutonium from irradiated fuel elements by 1968. Existing plants will be called upon to develop and produce reactor parts and equipment, chemicals, and electrical equipment that will be needed to construct and equip the proposed reactors and processing plants.

Concurrent with the construction of reactors and processing plants, research on all facets of the nuclear sciences will be expanded at the existing research institutes and universities. The staffs of all departments will be increased. This will require increased enrollment at the various universities and technical institutes as well as the establishment of a reactor school at the Institute of Nuclear Research.

After its review of the long-range nuclear energy plan, the State Council recommended that foreign collaboration be expanded. This expansion includes increased cooperation with other countries in the exchange of information on nuclear technology, increased use of the Joint Institute for Nuclear Research at Dubna, USSR, the making of additional bilateral agreements with other countries, and further cooperation with international organizations, particularly the International Atomic Energy Agency.¹⁸

Taking into consideration the facilities, equipment, and factories planned during the period 1958-60, the plan estimated that 446 million zloty (U.S. \$17 million) would be needed for capital costs for scientific research

and 160 million zloty (U.S. \$6.4 million) for capital costs for nuclear industries. An additional 419 million zloty (U.S. \$16,760,000) would be required during this same period for expenses in wages, materials, and maintenance. Capital expenditures in the post-1960 period would be concentrated mainly on the additional reactors and the uranium processing plants. Investments in these facilities were estimated to be between 807 million zloty (U.S. \$32,280,000) and 2,189 million zloty (U.S. \$87,560,000), depending on the capacity of the individual processing plants.

GOVERNMENT APPROPRIATIONS TO THE ATOMIC ENERGY PROGRAM

In the period prior to and including 1956, the Polish Government appropriated approximately 123 million zloty (U.S. \$4,920,000) to the atomic energy program. This included 97 million zloty (U.S. \$3,880,000) for investment, particularly the reactor and cyclotron, and 26 million zloty (U.S. \$1,040,000) for wages, materials, and maintenance. In 1956, the Government estimated that appropriations required for the program in 1957 would be 199 million zloty (U.S. \$7,960,000) for investment and 75 million zloty (U.S. \$3 million) for operational expenses. Of the total of these amounts, the Institute of Nuclear Research was to receive approximately 200 million zloty (U.S. \$8 million). In the long-range plan prepared in 1956, the total appropriation needed for 1958 was estimated to be 286 million zloty (U.S. \$11,440,000); this was to include funds for both investment and wages, materials, and maintenance for the nuclear research institutes, isotope workshops for various ministries, geological surveys, and uranium ore mining.^{18 19}

RESEARCH FACILITIES AND EQUIPMENT

PAN Institute of Nuclear Research

The Institute of Nuclear Research operates under the authority of the Plenipotentiary of the Government and is responsible to the PAN Committee. The actual work of the Institute was under the direction of Professor Andrzezej Soltan from the time of its establishment until January 1958, when he was re-

placed by Professor Pawel Nowacki.¹⁶ The six major departments of the Institute are currently in operation in Warsaw, Zeran (a suburb of Warsaw), Swierk, Krakow, Bronowice, and Lodz. As construction is completed at the two main sites, Swierk and Bronowice, some departments will move to these locations. At least one department or section of a department will remain at each of the six present locations.⁴

The Institute's Department of Physics, or Department I, directed by Professor Soltan, is divided into two sub-departments. The first, IA, is directed by Professor Zdzislaw Wilhelmi, and the second, IB, by Professor Bronislaw Buras.⁶ Both IA and IB are engaged in basic neutron physics research and have recently moved the majority of their equipment and personnel from Warsaw to the main center at Swierk where they are now concerned with the operation of the Soviet-furnished research reactor. (See figures 1 and 2.) This reactor, named "EWA" or "EVE," went critical 31 May 1958 and became fully operational on 14 June 1958. It is the standard model furnished to those of the Satellite countries which signed the 1955 agreements with the USSR.⁷ It is a 2-megawatt (thermal), water-cooled-and-moderated, tank-type reactor using 10 percent enriched uranium in the form of aluminum-clad uranium-magnesium rods 10 millimeters in diameter and 500 millimeters in length. The rods are grouped in assemblies of 16 rods each. The minimum critical mass is 25 assemblies, or about 3.2 kilograms of uranium-235, but the reactor is usually operated with 32 assemblies, or about 4.1 kilograms of uranium-235. Maximum fuel load is 51 assemblies, or 6.5 kilograms. When operated at 2 megawatts, the maximum thermal neutron flux is 2×10^{13} neutrons per square centimeter per second. The reactor is provided with nine horizontal channels for neutron beams and a graphite thermal column. Vertical channels are provided for the production of radioactive isotopes. Polish scientists plan to produce radioactive isotopes of iodine, phosphorus, sulfur, carbon, tritium, gold, cobalt, and thallium in the reactor.⁸

Department II is concerned with neutron physics, primarily spectroscopy and neutron scattering. It is directed by Professor Henryk Niewodniczanski and is located at both Krakow and the new site at Bronowice. A 4-Mev cyclotron is now in operation in Krakow, and the Soviet-furnished 25-Mev cyclotron is to be finished at Bronowice in 1958.¹⁰

Department III, or the Department of Electronics, is to move eventually from its temporary location in Zeran to the new center at Swierk. This Department, headed by Professor Juliusz Keller, is responsible for the design and construction of the various nuclear instruments and equipment needed by the Institute.⁴

The Department of Technology of Reactor Materials, or Department IV, is headed by Doctor Tadeusz Adamski and is located permanently in Zeran. It is responsible for developing processes for uranium mining, milling, and refining and for the production of uranium metal and fuel elements.

Doctor Dennis Campbell is in charge of Department V, or the Radiochemistry Department, which is still temporarily located at Zeran. This Department is responsible for isotope production in the reactor, isotope distribution, and developing new uses for isotopes. It is also concerned with plutonium and fission products separation and with radioactive waste disposal.¹⁰

Department VI, or the Cosmic Ray Department, is directed by Professor Marian Danysz and is located in Warsaw, Krakow, and Lodz. The Warsaw branch, directed by Danysz, is permanently located at the University of Warsaw. The Krakow branch is directed by Professor Marian Miesowicz and is installed at the Institute for Mining and Metallurgy at Krakow. The Lodz branch is much smaller than the other two and is directed by Professor A. Zawadzki.¹⁰

An unnumbered department, the Department of Nuclear Power Engineering, has been established since the original organization of the Institute. It is concerned with the development of nuclear power plants.¹⁷

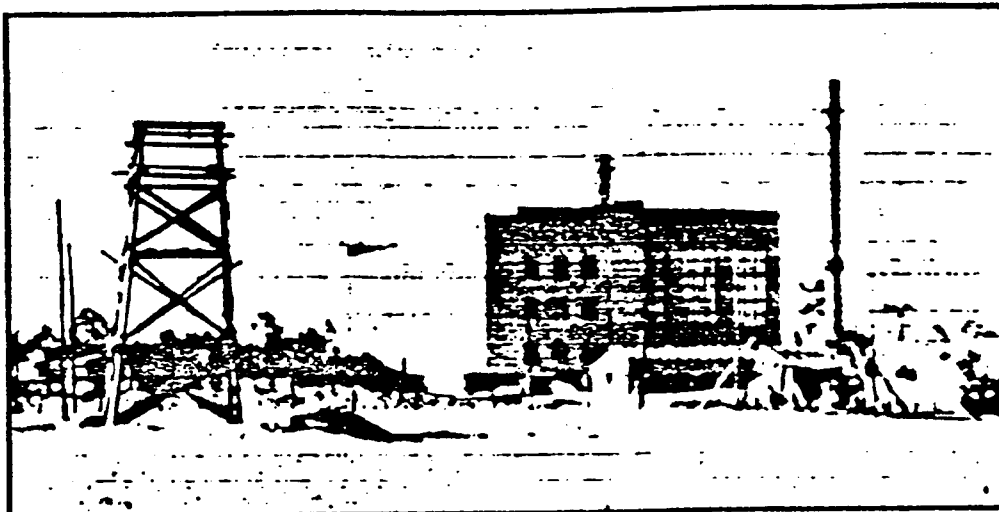


Figure 1. Reactor building under construction at PAN Institute of Nuclear Research. Poland, Świerk. July 1957

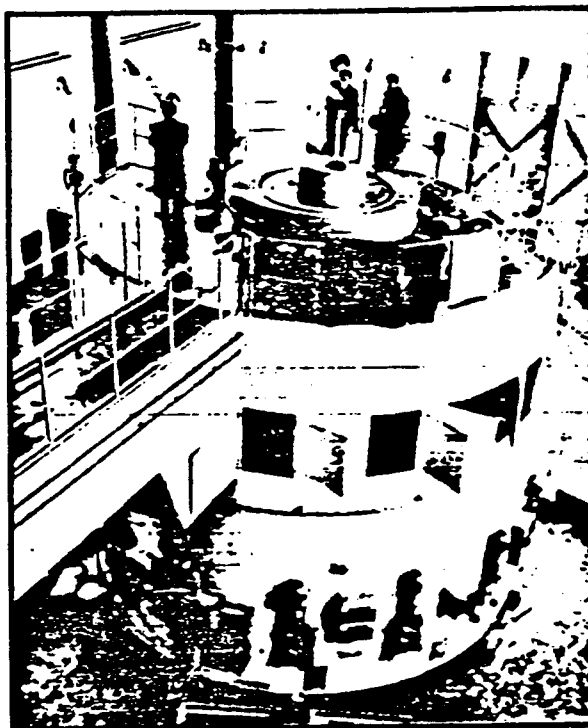


Figure 2. Research reactor at PAN Institute of Nuclear Research. Poland, Świerk. Probably May 1958

In addition to the above departments, there are various sections for special purposes. A Health Section has been formed to study radiation effects on man. Two training sections have been formed, one concerned with reactor operation and the other with the use and handling of isotopes.⁴

Other Institutes

Many other institutes, universities, and enterprises have set up sections for research on particular problems associated with nuclear energy. The Gliwice Polytechnical Institute has established an Institute of Nuclear Power.¹¹ The Central Office of Ship Design in Gdansk has had a section devoted to nuclear propulsion for ships since 1957.¹² The physics departments of Warsaw and Jagiellonian Universities and sections of Warsaw and Wroclaw Polytechnical Institutes are also concerned with research in nuclear physics. Many other institutes, industries, ministries, and schools have set up sections for research in the application of isotopes in industry, agriculture, and medicine.³

EDUCATIONAL AND TRAINING PROGRAM

In addition to the training program for personnel at the Institute of Nuclear Research, various Polish schools and universities have instituted courses in nuclear physics and associated subjects. In 1956, 30 students enrolled in a new nuclear physics curriculum at the Department of Physics and Mathematics of the University of Warsaw. In the spring of 1957, courses were started in nuclear physics at the Jagiellonian University, in nuclear chemistry at the University of Warsaw and at the Wroclaw Polytechnical Institute, in nuclear power engineering at the Slask and Warsaw Polytechnical Institutes, and in the automatic control of nuclear processes at the Warsaw Polytechnical Institute.³ Twenty-five nuclear physicists, 11 nuclear chemists, 10 engineers in radiation techniques, and 3 engineers in automation were scheduled to complete these courses by the fall of 1958.¹³

Under the terms of the Soviet-Polish atomic energy aid agreement of 1955, the Soviet Union has provided training for Polish scientists and

technicians in nuclear energy. The first to be trained were about 15 technicians who received a 3-month course in the operation of a research reactor. In 1956, the personnel who were to operate the cyclotron at Bronowice received training in the USSR. These groups do not include the Polish scientists and technicians associated with the Joint Institute for Nuclear Research at Dubna, USSR.³ In addition, the Soviet-Polish agreement of January 1958 provides for the training of 100 Poles in the USSR in 1958.¹⁴

CURRENT OPERATIONAL FACILITIES AND INDUSTRIAL SUPPORT

All Polish uranium ores that are currently being mined are sent to the Soviet Union under the terms of the 1947 Polish-Soviet agreement. This agreement expires in 1958 and probably will not be renewed. Poland, therefore, will be permitted to exploit known uranium ore reserves for domestic use. These known reserves were estimated in 1956 to total approximately 1,000 tons of metallic uranium. Geological explorations are continuing in an attempt to locate other exploitable reserves.

There are as yet no material processing plants in operation or under construction in Poland for uranium concentration, refining, or conversion to metal. No moderating materials are currently being produced. Laboratory work on the production of nuclear-pure graphite is in progress, but results so far indicate that the amount of graphite needed for moderators can be purchased abroad more cheaply than it can be produced in Poland. Since the production of heavy water would be extremely expensive and the demand for it would be sporadic, Poland plans to purchase rather than to produce the amount of heavy water needed for the planned reactors.¹⁵

Almost the entire Polish production of nuclear instruments and equipment has so far been carried out by the Electronics Department of the PAN Institute of Nuclear Research. This Department has produced geiger counters, scalars, pulse analyzers, quartz fiber electrometers, and radiation monitors.¹⁶ Reportedly, the Polish armed forces are being

equipped with Polish-produced radiation dosimeters, but the manufacturer has not been identified.¹⁸

USE OF RADIOACTIVE ISOTOPES

The procurement, control, and distribution of radioactive isotopes in Poland are the responsibility of Department V of the PAN Institute of Nuclear Research. Since its establishment in 1955, this Department has handled the receipt and distribution of the isotopes procured from the USSR under the 1955 agreement. In 1956, some 35 varieties of isotopes valued at over one million zloty (U.S. \$40,000) were ordered under this agreement to be distributed to 16 scientific and industrial organizations.²¹ This Department is now responsible for the production of isotopes in the reactor at Swierk.

The use of isotopes in Polish industrial processing began in 1955 when isotopes were used in defectoscopy (the radiographic detection of defects) and in the detection of impurities from refractory materials in steel billets. In 1956, the Poles began to use isotopes in production lines for quality control and counting purposes.

Polish use of isotopes in agriculture has so far been concentrated in two fields: research, such as photosynthesis studies, and the irradiation of crops to affect growth, germination, and preservation.²

The lack of trained medical personnel has so far greatly inhibited Polish use of isotopes in medicine. However, in 1956 preliminary research on medical applications was being carried out at the Institute of Cancer in Gliwice, the State Institute of Hygiene, and the Institute of Hematology.³ In May 1958, Wilhelm Billig reported that 21 physicians had completed a 7-week course in the application of isotopes in medicine.²⁰

FOREIGN COLLABORATION

USSR

Under the Soviet aid agreement of 1955, Poland has been and still is receiving a substantial amount of aid. The USSR sought 17 million rubles (U.S. \$4.25 million) for the

2-megawatt reactor to be furnished as part of the agreement, but after Polish threats to buy a reactor from the British for less, the Soviets signed a reactor contract providing for a payment of 5.5 million rubles (U.S. \$1,375,000) for the reactor and one fuel loading.^{19 20}

The second Soviet aid agreement that was signed by Poland, 22 January 1958, provides for Soviet technical assistance in the design and construction of a second research reactor and a nuclear power plant, in the prospecting, mining, and processing of uranium ore, in the production of nuclear equipment, and in the development of nuclear research; as well as for Soviet training of Polish nuclear specialists. Payment for this aid is to be worked out under existing trade agreements.²³

Poland became a member of the Joint Institute for Nuclear Research, Dubna, USSR, at its formation. Professor Marian Danysz is still one of the two deputy directors; and Professors Infeld, Niewodniczanski, and Soltan are members of the scientific council.¹⁶ In 1957, eleven Polish scientists were to be assigned to the Institute, but by 1958, the number was increased to thirty.^{20 24}

Satellite Countries

The Poles attend numerous conferences and meetings with other satellite scientists and have signed several specific scientific agreements. In September 1957, representatives from the Polish and the East German nuclear energy institutes signed an agreement in Berlin providing for cooperation in the design and construction of nuclear research apparatus, information exchange, and the training of Poles in Berlin and Leipzig.²⁵ In January 1958, Polish, East German, and Czech delegates met in Warsaw and signed an agreement providing for the exchange of specialists, experiences, and scientific documents and for the joint participation in conferences concerning the construction of nuclear apparatus.²⁶

Non-Soviet Bloc Neutral Countries

Poland is cooperating to some extent with India and Yugoslavia. In 1957 the Indian Prime Minister stated that Poland had expressed an interest in cooperation in atomic

energy and that India intended to award two fellowships to Poles to study at the Indian Atomic Energy Center.²⁷ In March 1958, Wilhelm Billig and Professor Miesowicz visited India as guests of the Indian Committee for Atomic Energy for the expressed purpose of developing the exchange of scientific personnel and data.²⁸

Polish-Yugoslav cooperation began at the end of 1956 and the early part of 1957 with an exchange of delegations, which led to the signing in April 1957 of a 1-year agreement providing for the mutual exchange of personnel and documents concerned with nuclear research, application, and apparatus.²⁹ In May 1958, a similar agreement for 1958 and 1959 was signed in Warsaw.³⁰

Western Countries

Under Gomulka, the Poles have made more frequent contacts in the field of nuclear energy with Western countries than have any of the other satellite countries. In January 1957, the Polish Ambassador to the United States and the Polish representative to the United Nations approached the U.S. State Department to discuss the possibilities of some form of cooperation with the United States.³ Further discussions were held in October 1957 at the first session of the General Conference of the International Atomic Energy Agency between Wilhelm Billig, the leader of the Polish delegation, and Robert McKinney, leader of the U.S. delegation.³¹ While no commitments were made or agreements signed at either time, the United States has complied with some of the requests made by the Poles. The U.S. Atomic Energy Commission has presented an unclassified technical atomic energy library to Poland and has sent two American nuclear specialists to Poland for consultation.³² One other American scientist visited Poland in June 1957 and gave several lectures at the PAN Institute of Nuclear Research.³³ Several Poles have visited the United States for various atomic energy and physics conferences and were permitted to visit several unclassified U.S. atomic energy installations.³

In October 1956, a group of Poles visited the United Kingdom at the invitation of the U.K. Atomic Energy Authority to attend the opening of the Calder Hall nuclear power plant and to visit several other U.K. atomic energy installations.³ In May 1957, Sir John Cockcroft, head of the U.K. Atomic Energy Research Establishment, visited Poland to observe Polish activities in the atomic energy field and to deliver a series of lectures.³⁴ At his invitation, a second Polish delegation visited the Atomic Energy Research Establishment at Harwell in September 1957.³⁵ The United Kingdom has sold several pieces of nuclear equipment to Poland to be used in medical application and research. These items include a 4-Mev linear accelerator, two quartz spectrophotometers, and a vibrating reed electrometer.³⁴⁻³⁶

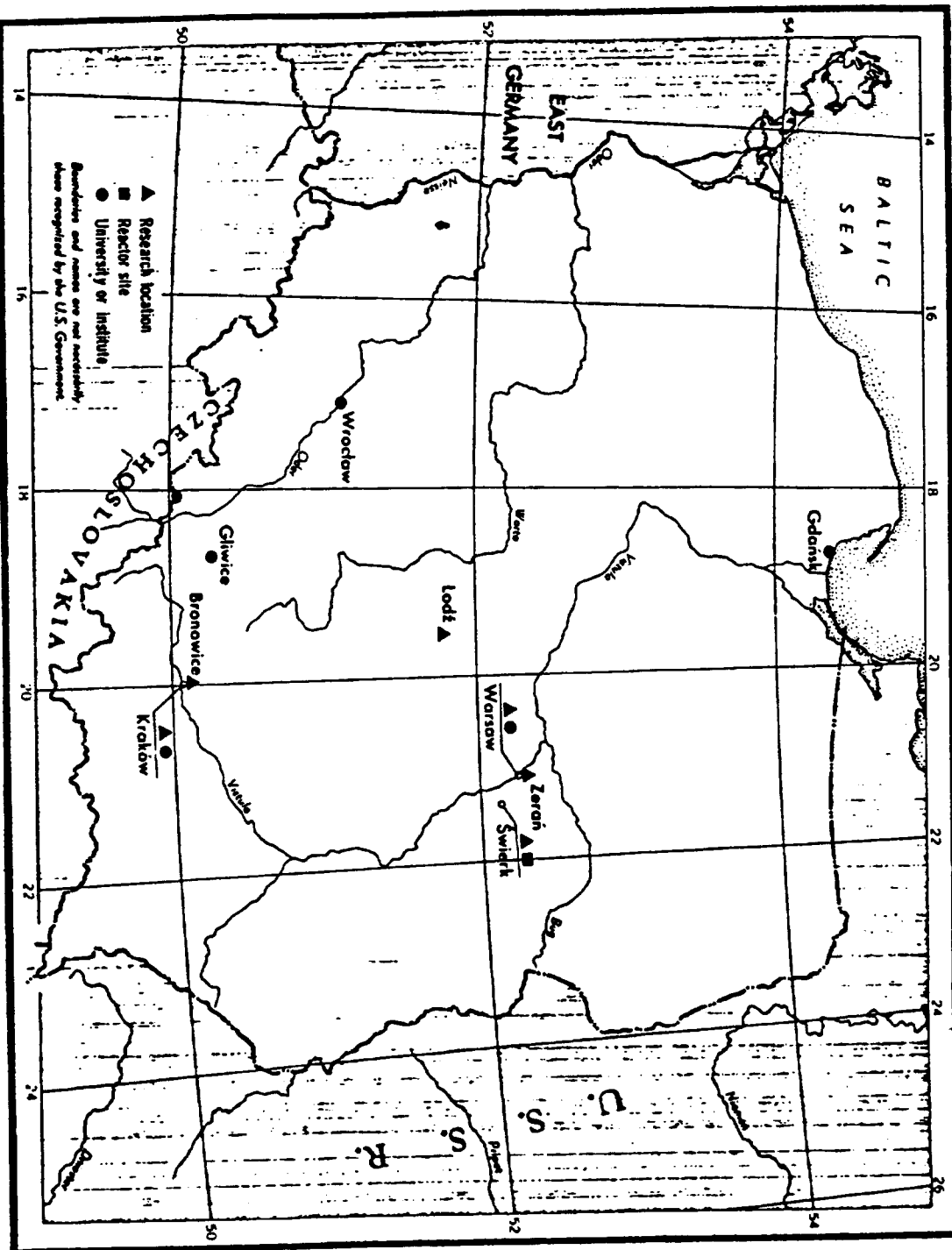
Following the October 1956 visit to the United Kingdom, the Polish delegation visited the French Center of Nuclear Studies at Saclay.³ In June 1957, Professor Perrin, the French High Commissioner for Atomic Energy, and Dr. Goldsmith of the French Atomic Energy Commission visited Poland and toured the various branches of the PAN Institute of Nuclear Research. In September 1957, this visit was returned by a Polish delegation, composed of Billig, Soltan, and Niewodniczanski, which discussed with the French AEC the subject of cooperation between Poland and France in the nuclear sciences.³⁷

International Organizations

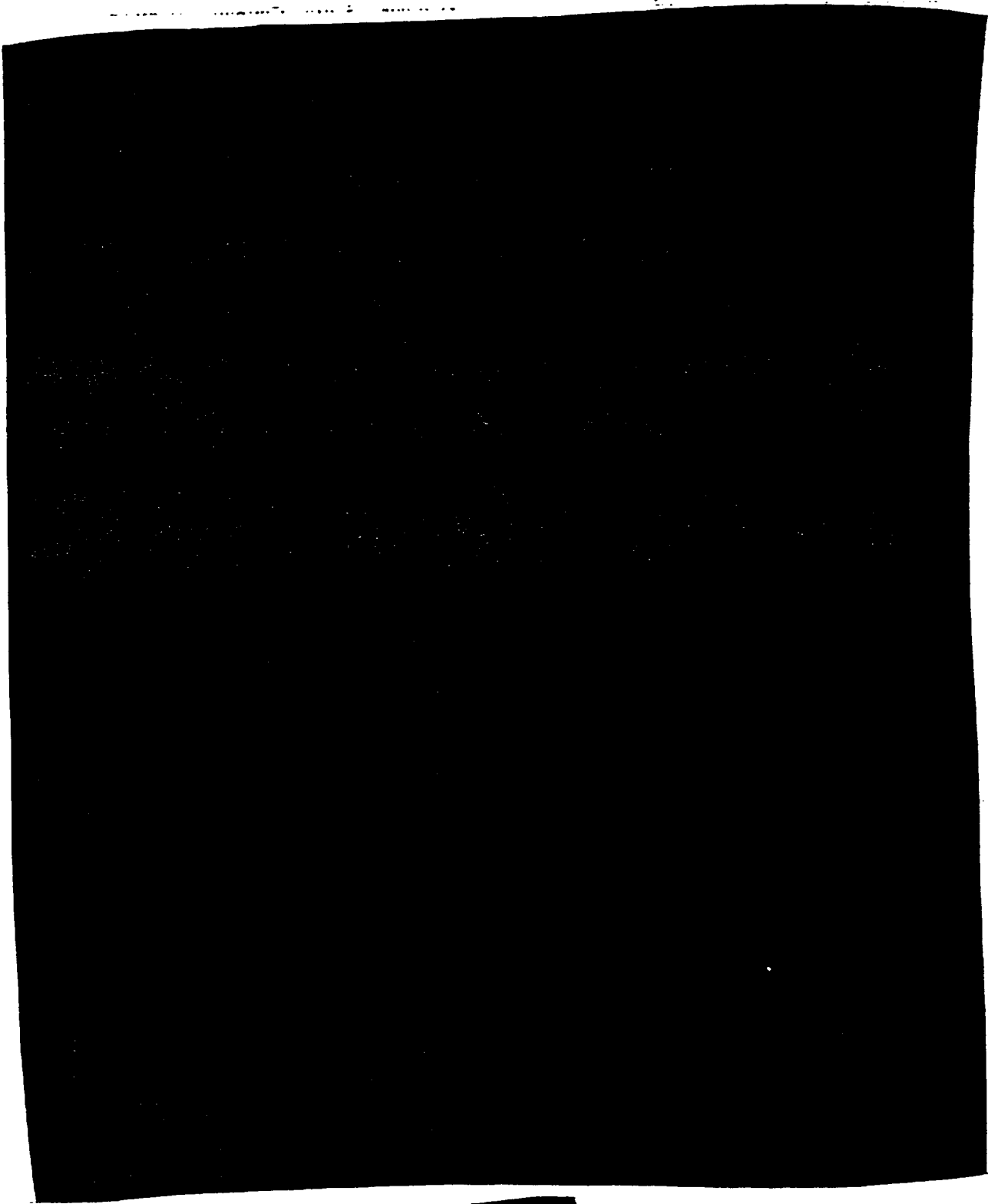
Poland is a member of the International Atomic Energy Agency, and Wilhelm Billig is being considered for selection as one of the two vice presidents of the Board of Governors for the 1958 session.³⁸ Poland is not a member of the European Center for Nuclear Research (CERN), but has expressed an interest in joining later when more facilities have been established.³⁹ Since only a few facilities of CERN are in operation, Poland prefers to send trainees to Dubna.

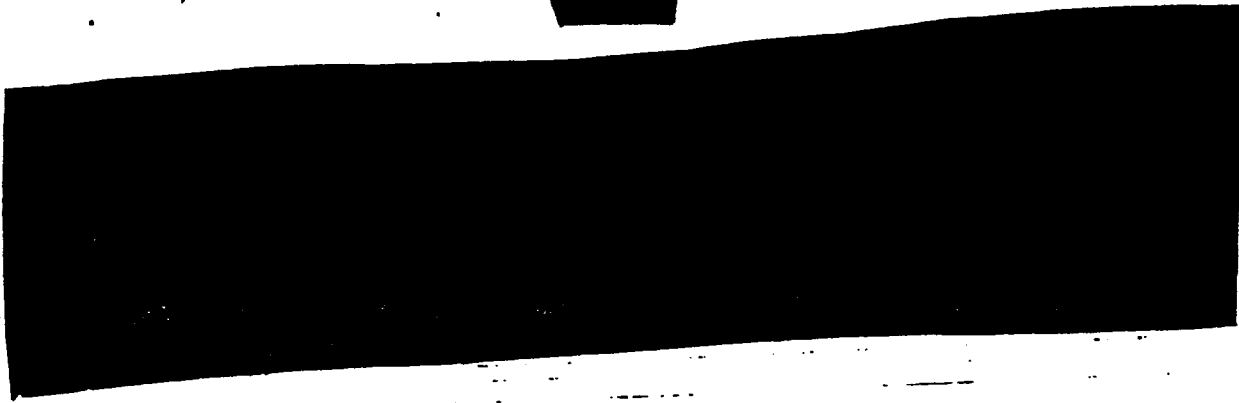
Poland: Areas of Atomic Energy Activity

Figure 3



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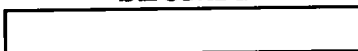






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CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

This digest of significant reports has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current reports received. Comments represent the immediate views of the Office of Current Intelligence.

DIA review(s) completed.

Army, OSD and State Dept review(s) completed.

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* * *

GENERAL

1. British want representative at ANZUS Military Committee meeting: British Foreign Secretary Eden on 3 September requested that arrangements be made for a British representative to attend the forthcoming meeting of the ANZUS Military Committee. He re-emphasized that Britain's special Commonwealth relations with both Australia and New Zealand involve an automatic mutual defense obligation and the closest military and strategic collaboration. Eden indicated that he expects parliamentary criticism over Britain's exclusion from the ANZUS Council.

The Department of State has replied that all participants in ANZUS desire to maintain close liaison with Britain until such time as an expansion of the organization can be undertaken.

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Comment: The British press gave generally favorable treatment to the Honolulu meeting of the ANZUS Council, but suggested that Britain has a legitimate claim to future participation.

Because of the Bevan-Attlee conflict in the British Labor Party, however, the Churchill government cannot be certain of immunity from parliamentary criticism on this matter, despite the fact that its position is essentially the same as that taken by the Labor government when the Pacific Pact scheme was initiated.

2. French interested in observer status on ANZUS: The American Embassy in Canberra reports that the French Charge has approached both the Australian Department of External Affairs and the American Embassy regarding the prospects for a French observer at future ANZUS Council meetings. The Embassy as well as a high Australian official is inclined to

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doubt the charge's statement that he acted without instructions from Paris. [REDACTED]

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3. Mexican copper shipped to possibly unreliable firm in Italy: A shipment of 510 tons of copper wire bars and 100 tons of electrolytic copper cathodes left Vera Cruz on 8 September consigned to the Italian firm SITAMET by Cobre de Mexico.

Cobre de Mexico has informed the US Embassy that this shipment represents an order approved by the US Consul General in Milan in August, and that it wishes to ship other orders totalling 3,300 tons to the same firm in the near future. [REDACTED]

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Comment: Cobre de Mexico, Mexico's only producer of electrolytic copper, customarily seeks US Embassy approval of its foreign orders. In August, the US Consul General in Milan withdrew his objections to a SITAMET order for 500 tons after confirming that the copper had been committed to reliable buyers. The objections had been based on the knowledge that SITAMET had previously sold a strategic commodity to a notorious transshipper.

SOVIET UNION

4. Georgian Party attacks independence of local leaders: The First Secretary of the Georgian Communist Party, in his report to the 15th Georgian Party Congress on 16 September, claimed that some of the provincial leaders were attempting to promote "chieftainship" and were giving preference to local over state interests. He reminded the congress of the antistate activities of certain tribes in the 1920's and 1930's and warned that any similar attempt now to partition Georgia into separate principalities would not be tolerated. [REDACTED]

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Comment: Georgia, until the recent purge, held a favored position in the USSR, receiving more material aid and less interference in its political and cultural life than the other 15 republics. The resulting degree of autonomy for local officials apparently permitted a serious amount of corruption and nepotism.

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5. MVD responsibility for Volga-Don Canal confirmed: The Soviet press on 20 September announced that the builders of the Volga-Don Canal were awarded the order of Lenin. The list of recipients includes Minister of Internal Affairs S. N. Kruglov and five of his Deputy Ministers, N. K. Bogdanov, S. S. Mamulov, B. P. Obruchnikov, V. S. Ryasnyi and I. A. Seroa.

The Embassy in Moscow believes that the absence of awards to top officials of other agencies of the Soviet Government leaves little doubt that the MVD was the responsible agency. The sensitivity of Soviet officials concerning the MVD's role in this project is demonstrated by the fact that the list omitted the titles of these six officials. [REDACTED]

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Comment: The reluctance of the Russians to indicate the responsible agency may be attributed to the fact that they do not desire to connect the name of the infamous MVD, with its millions of forced laborers, to a project supposedly constructed by free socialist labor.

6. Initiation of fall troop rotation in Soviet Zone of Austria: US Forces in Austria estimate that 3,500 Soviet troops arrived in Austria via Hungary during the period from 15 to 17 September. Approximately 500 of these were sent on to garrisons in western Hungary; the remainder arrived at Kaisersteinbruch Reception Center southwest of Vienna.

These troops, which appear to be recruits, probably represent the first increment of the anticipated fall rotation, but there is no evidence of the imminent departure of age classes eligible for demobilization. [REDACTED]

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Comment: Approximately 2,900 Soviet troops arrived in Austria between 21 and 26 July, after which the reception center was reportedly closed down. Recent information has indicated that these troops were recruits from the class of 1933. The latest arrivals are probably also of the 1933 class.

Soviet troop rotation in Austria appears to be following the two-phase cycle which occurred last year. Over 10,000 troops of the 1931 class entered Austria in June 1951 and approximately 4,350 of the 1932 class arrived during November.

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7. French-USSR delegation departs in irate mood: According to the French Ambassador in Moscow, a delegation from the USSR-French Society visiting the Soviet Union recently departed in an irate mood because of the close rein applied by Soviet authorities on the delegates' activities in Moscow and, particularly, because they were unable to obtain an interview with Ilya Ehrenburg, prominent Soviet author and propagandist.

Officials in the American Embassy comment that the treatment given the French delegation is indicative of the unwillingness of Soviet authorities to permit contacts between Soviet citizens and foreigners in the USSR. Moscow feels this separation is necessary even though the visitors are sympathetic to Communism and despite the fact that Communists abroad are promoting national fronts and world peace campaigns.

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EASTERN EUROPE

8. Continuing release of Bulgarian political prisoners reported: According to information obtained through the Eastern European Bureau of the Netherlands Foreign Office, the number of new internees in Bulgarian concentration camps during the past two years has been less than the number set free. There are at present no more than 7,000 political prisoners in the country, all of whom are quartered on Bellene Island in the Danube River. Although a large number of camps were crowded with political unreliaables immediately following World War II, inmates of these camps were transferred to Bellene beginning in July 1949, and the former camps are now occupied only by common criminals and paramilitary labor personnel.
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Comment: Other recent estimates have placed the number of Bulgarian political prisoners at 60,000 or more.

Although the Bellene camp is believed to be Bulgaria's largest center for political offenders and unreliaables, it is doubtful whether it is the only prison of its type in the country. Many such camps have been reported to be located in the Dobrudja. Since even the slightest opposition to the regime is considered a crime, it is difficult if not impossible to differentiate between "political prisoners" and "common criminals" in Bulgaria.

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9. Polish troops believed returning to barracks from field training areas: The US Military Attache in Warsaw, who returned on 18 September from a three-day field trip into northwest Poland, reported that all Polish and Soviet barracks were still empty except for housekeeping details. Since 16 September, however, "more and more trucks are coming into the First Division area in Warsaw with paraphernalia and supplies." In addition, there was evidence that Polish and Soviet troops in the Grossborn training area were getting ready to move out, and Warsaw newspapers reported a demonstration in Katowice welcoming Polish troops back from summer training.

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The attache expects most or all of the troops to be back in barracks by 27 September. [REDACTED]

Comment: Last year all Polish troops had returned from field training to their home garrisons by late September. These movements took place by train, however, and western observers were not aware of them. There has been no indication yet on what scale the summer field maneuvers were held.

10. Martyka trial involves Polish gentry, US official and former USIS employees: Polish press accounts of the Martyka trial, which ended in Warsaw on 20 September, have played up the "refinement" of some of the female gentry involved with the accused. Testimony has charged that the USIS was engaged in espionage, has implicated two former USIS employees in Warsaw as go-betweens with the band which allegedly murdered Martyka, and has involved an American Foreign Service officer who has recently been transferred from Warsaw.

American Embassy officials emphasize that there is no indication that the Poles intend the trial to produce serious diplomatic consequences. The testimony apparently does not involve any Americans now in Poland. [REDACTED]

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Comment: Several of the accused are former landowners and members of the aristocracy, and the trial is apparently intended to condemn the remaining elements of these classes in the eyes of other Poles and show that they are connected with the United States.

Repeated mention of the intelligentsia suggests that trial propaganda is designed to warn hostile segments of this class, while seeking to retain the allegiance of the pro-government portion. This also may be further evidence of the

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appeal of Western broadcasts to the intelligentsia.

Reference to the US inspiration of the accused and the "American gangster" methods used in the murder show that the trial is part of the current hate-America and anti-VOA campaign. The implication of former employees of the USIS, which was closed a year ago in Warsaw, is undoubtedly a further attempt to prevent Polish citizens from having any contact with the American Embassy.

11. Polish physicists confer with Soviet scientists: The American Embassy in Warsaw has reported the conclusion of a physicists' conference at Spala, Poland, on 15 September. The two weeks' conference was attended by 150 Polish scientists and three Soviet professors, and included discussions of nuclear physics. Professor Infeld acclaimed its importance and called it a "turning point in the history of Polish physics." Embassy officials commented that the conference may be the beginning of the use of Polish brains in Soviet economic development.

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Comment: For some time there has been some discontent among Polish scientists because of the refusal of the Russians to allow them either to contact Western scientists on nuclear subjects or to participate in Soviet atomic development. This conference may indicate that the Russians will now permit the Polish scientists to perform some unclassified tasks for them. On the other hand it may be a conciliatory political move by the Russians.

Leopold Infeld, the Polish-Canadian atomic scientist, collaborated with Einstein at Princeton in the late thirties and held the chair of applied mathematics at Toronto University from 1939 until 1950, when he returned to Poland to take a leading part in Polish political-scientific activity.

12. Joint Rumanian-East German chemical company created: The Bucharest radio has announced that on 12 September a protocol was signed in Berlin which expanded the volume of trade between Rumania and East Germany. In addition, the protocol called for "the creation on a parity basis of a mixed Rumanian-German company for the development of the chemical industry in the Rumanian Peoples' Republic by utilizing raw materials available" in Rumania.

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The importance of the agreement is indicated by the negotiators for both countries. Chivu Stoica, Vice Chairman of the Council of Ministers, and Miron Constantinescu, Chairman of the State Planning Commission, represented Rumania; while Heinrich Rau, Deputy Minister-President, and Bruno Leuschner, Chairman of the State Planning Commission, signed for the German Democratic Republic. [redacted]

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Comment: In June Rumania and Hungary concluded a similar agreement whereby a joint company was to be set up with Hungarian equipment to exploit Rumanian natural gas and chemical resources. Another agreement for economic cooperation was recently concluded between Hungary and Czechoslovakia.

A build-up of Rumania's chemical industry, in addition to its petroleum industry, will greatly increase its strategic and industrial potential within the Soviet Orbit.

13. Rumanian collectivization drive continues: The American Legation in Bucharest reports that the "triumph of Socialism in the villages" is being widely hailed in the Rumanian press, while there are frequent notices of convictions of kulaks for sabotaging sowing and withholding crops from the state. Emphasis appears to be on formation of agricultural tilling associations rather than kolkhozes, but the press has reported for the first time that 47 of these associations have been changed into kolkhozes.

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[redacted] pressure for collectivization has been sharply increased in "un-socialized" Transylvania, chiefly through confiscation of land and imprisonment for nonpayment of taxes. [redacted]

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Comment: Increased prominence given to formation of agricultural associations coincides with the first anniversary of the drive, which began in September 1951, for formation "on the voluntary principle" of permanent agricultural associations. At that time it was announced that these associations would accustom peasants to "collective methods of managing their agricultural exploitation as a preliminary step toward establishment of collective farms."

Some 1,112 agricultural associations have been formed in the last year, 265 of them in the past month; and over 400 collective farms have been set up in 1952.

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FAR EAST

14. Japanese confident that World Buddhist Conference will not be subverted: Japanese delegates believe that their large majority at the World Conference of Buddhists will prevent the conference from being subverted by radical elements from South-east Asia, according to Ambassador Murphy.

Murphy notes, however, that although the conference appears to be primarily religious in nature, there is some danger of a Communist attempt to tie in the conference objectives with those of the Peiping Peace Conference. He reports that "Peace through Buddhism," as contrasted with the building of armaments, is expected to be on the agenda for discussion. [REDACTED]

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[REDACTED]

Comment: Japanese Buddhists, who traditionally avoid politics, will oppose any attempts by radical elements to swing the conference toward political matters. On the other hand, left-wing Buddhist groups will probably exploit the peace issue, and may also follow the precedent set in Burma and Thailand where strenuous efforts are being made to establish the compatibility of Communism and Buddhism.

15. Ultrnationalist Japanese create incident in Foreign Office: Ambassador Murphy reports that the group which attacked Communist delegates to the Peiping Peace Conference on 18 September in the Japanese Foreign Office was part of the "National Martyr's Youth Corps." The corps is an ultranationalist, paramilitary, youth organization formed last June to crush Communist activity in Japan.

Ambassador Murphy comments that although this is a minor incident, it is the first publicized display of violence by an ultranationalist group since World War II. He thinks that the group may well grow and become more active as a result of the widespread publicity given the incident.

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[REDACTED]

Comment: The peace treaty, rearmament and the anti-Communist atmosphere in Japan have given impetus to the growth of rightist societies. While their common theme is anti-Communism, a number of them have adopted policies of anti-foreignism and neutrality.

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16. Nationalization of China's private banks expected in 1953:
[redacted] the Communists in China have begun the takeover of private banks under the guise of "amalgamation." By mid-1953 or earlier, it is expected that all banks dealing in foreign exchange will be branches of the state-operated Bank of China, and all banks dealing in domestic finance will be branches of the official People's Bank. [redacted]

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Comment: The amalgamation of private banks in China to facilitate government control has been under way for more than two years. As with other sectors of the economy, the trend in banking is toward full nationalization.

Continuing reports are received of the government takeover of private firms, such as the nationalization on 1 September of China's largest private shipping company.

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SOUTHEAST ASIA

18. Viet Minh considered more vulnerable to political than military action: Commenting on recent reports of the Viet Minh's material weakness and lowering morale, the American Consul in Hanoi concludes that they must be viewed with reserve. He believes that any weaknesses of the Viet Minh are

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probably compensated for by their more skillful administration and propaganda as compared with the Bao Dai Government. The Consul adds that if the Vietnam Government were able to make real progress politically, it would deal the Viet Minh a graver blow than any of which the French-Vietnamese military forces are capable. [REDACTED]

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19. Karens in Burma reported seeking alliance with former Japanese puppet: Karen insurgents have commenced negotiating an alliance with Dr. Ba Maw, head of the Burmese Government during the Japanese occupation, [REDACTED]

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[REDACTED] Ba Maw is said to have encouraged the Karens to form an alliance with the Chinese Nationalists in north-east Burma and to cooperate temporarily with the Burmese Communists. In return for assuming overt political action in behalf of the Karens, Ba Maw asked to be given access to the ores and timbers now in Karen-controlled areas. [REDACTED]

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Comment: Ba Maw, who is one of Burma's shrewdest politicians, lately has been a leading spokesman of pro-Communist elements which have been calling for government action to expel the Chinese Nationalists.

The fact that the Karens were singled out for especially severe treatment by Ba Maw's puppet government would appear to preclude their turning to him now.

20. Insurgents reported uniting in Burma: Representatives of Burma's two Communist parties and the insurgent, pro-Communist PVO have been meeting in west central Burma and have agreed to form an alliance, according to press reports reaching Rangoon. While the command functions of each group have not yet been resolved, all groups have promised to contribute 1500 troops toward the establishment of a common striking force.

The American Embassy in Rangoon comments that the Burma War Office has denied these reports, but adds that other unconfirmed information indicates that the insurgents had met and that they desire to coordinate their efforts. [REDACTED]

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Comment: Problems of leadership and spheres of influence have been the leading causes of friction among Burman insurgents. As they have been increasingly on the defensive, however, there has been a greater inducement for composing their differences.

NEAR EAST - AFRICA

21. Iranian Chief of Staff restricts travel of foreign military attaches: Iranian Chief of Staff Baharmast has denied every request of the American and British Military Attaches during the past two weeks for permission to travel outside Tehran. Although the restrictions ostensibly apply to all military attaches, the American Army Attache notes that other foreign attaches seldom leave the capital.

Ambassador Henderson believes that the restrictions are directed primarily against the British to prevent them from contacting tribes along the Iranian frontiers. [REDACTED]

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[REDACTED]

Comment: Baharmast recently ordered the General Staff not to discuss army reorganization plans with the US Army Mission, and the new restrictions apparently represent another step in Baharmast's anti-foreign policy.

22. Egypt may consider British-drafted constitution on Sudan: Egypt may accept the British-drafted constitution on the Sudan as a basis for discussion, but may first suggest amendments, such as postponement of the elections scheduled for November, according to Lieutenant Colonel Sabri, Egyptian senior staff officer in the Sudan. Sabri stated that Egypt's chief objection to the Sudan constitution is that it gives the Governor General too much power.

Sabri's position suggests that Egypt's military regime has adopted a more reasonable view on the Sudan issue than previous Cairo governments. Sabri's advice may carry some weight in Egyptian official circles, since he is a brother of one of General Nagib's close advisers. [REDACTED]

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Comment: If Sabri's advice is followed, it would represent a major change in Egyptian policy on the Sudan question. There is no clear indication, however, that General Nagib is prepared to face the repercussions within Egypt that such a settlement might cause.

23. Turkish reaction to British proposal on MEDO: The Turkish Foreign Ministry states that it agrees in principle with the British proposal on the Middle East Defense Organization, but believes that the Arab States should be invited to sit in on any discussions preceding its organization. Arab participation need not imply a commitment on membership, and such an invitation should refute possible claims of the Arabs that the sponsoring powers were proceeding without consulting them.

The Turkish Foreign Ministry observes that the present Egyptian Government appears more favorably inclined toward MEDO than its predecessors. Ankara proposes more military aid to Turkey and eventual establishment of MEDO headquarters in southern Turkey. [REDACTED]

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Comment: The Turks do not favor proceeding with defense planning before the obligations of each member of MEDO are clarified. Egypt's position is still unclear, but General Nagib's desire for Western arms may make him consider a more moderate course than his predecessors. Ankara's desire to have MEDO headquarters in Turkey is presumably motivated by considerations of prestige.

24. Special security measures imposed in Tangier: The insistent rumors that a general strike in Morocco would occur when the French reply to the Sultan's demands for more autonomy was delivered have caused extraordinary security measures to be taken in Tangier.

Nationalists in Tangier have not yet been advised of the contents of the reply, but declare that they will maintain their traditional passivity and hope that young nationalist "hot bloods" can be kept under control. [REDACTED]

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Comment: French officials in Morocco, as well as in the International Zone of Tangier, have expressed their fears that France's reply to the Sultan's memorandum of last March would incite disorders. The note was finally delivered on 17 September, but its contents have not yet been made public.

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Tangier officials are particularly apprehensive because of the riots which broke out on 30 March.

25. Arab League finances UN trip of Tunisian and Moroccan nationalists: According to the Iraqi Foreign Minister, the Arab League will finance sending a Tunisian delegation to the UN General Assembly meeting. Such a delegation would include the former Tunisian Minister of Justice, Salah ben Youssef, and probably Habib Bourghiba, head of the nationalist Neo-Destour Party, and the former Minister of Social Affairs, Mohamed Badra.

In addition to requests for American visas for the Tunisian nationalists, the Arab League has requested one for the Moroccan nationalist, Mohamed Hassan al-Wazzani. [REDACTED]

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Comment: The French Government has already strongly protested the issuance of American visas to nationalists, particularly Ben Youssef and Badra. It is highly unlikely at present that Bourghiba could reach New York because he has been in forced residence since last January.

Because of Wazzani's uncertain loyalties, the French presumably would have fewer objections to his appearing at UN headquarters.

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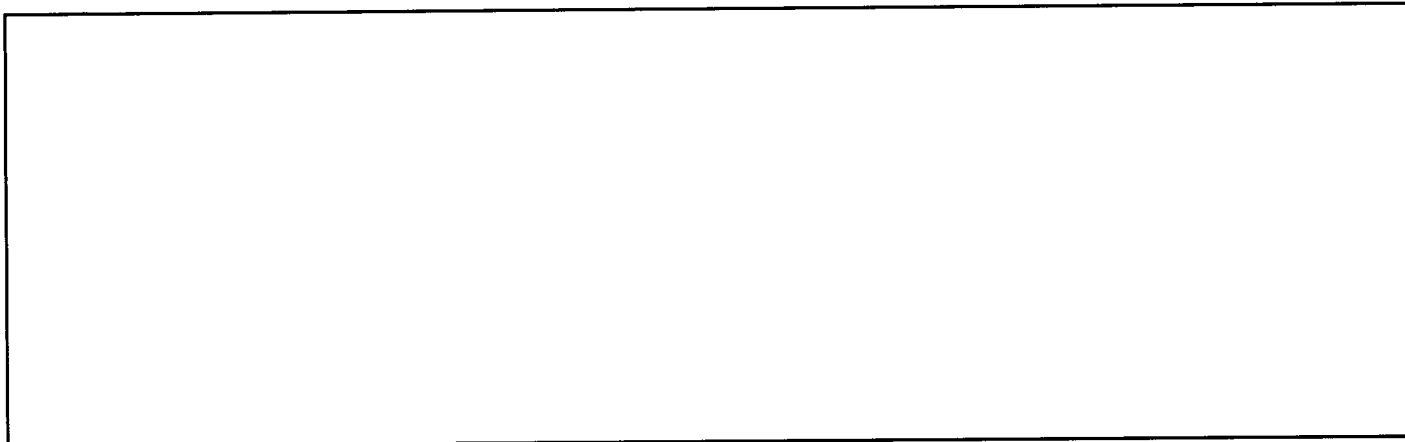
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WESTERN EUROPE

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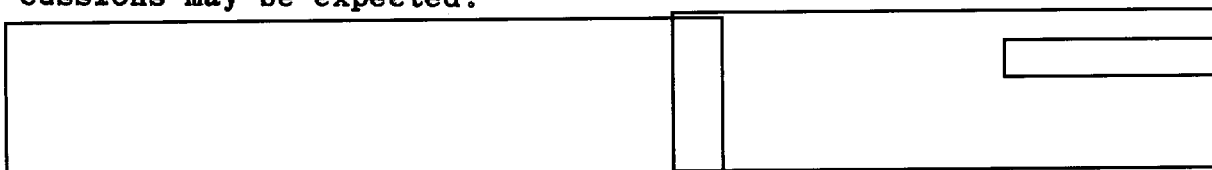


27. Paris Embassy comments on French Communist Party crisis:
The American Embassy in Paris states that the current crisis in the French Communist Party, the most serious since 1939, is the compelling reason for Thorez's imminent return from the Soviet Union.

The Communists are facing a "delicate situation" which could develop into a national deviationist movement along Titoist lines. If Andre Marty and Charles Tillon, the purged leaders who represent the militant elements and paramilitary cadres, further delay a "full public confession," grave repercussions may be expected.

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28. Italy promises to increase defense expenditures after elections: Italian Treasury Minister Pella has assured the American Ambassador that a third extraordinary \$400,000,000 defense appropriation will be sought from parliament immediately after the elections next spring. Although this money ostensibly would be expended in fiscal years 1955 and 1956, it will be available for defense orders in 1953 following parliamentary approval. Pella intimated that he might even overlook defense contracting against these funds prior to parliamentary approval.

Pella is also trying to persuade the Defense Ministry to increase from \$64,000,000 to \$128,000,000 the expenditures programmed for major military items out of the second \$400,000,000

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extraordinary appropriation passed in June. [REDACTED]

Comment: American officials in Rome have previously reported that although Italy's defense expenditures for 1952 will meet NATO goals, targets for fiscal years 1953 and 1954 are unlikely to be met. Although this new appropriation might improve the level of expenditures in fiscal year 1954, it may come too late to make much difference in fiscal year 1953.

LATIN AMERICA

29. Argentina tries to call meeting to form Latin American labor organization: The Nicaraguan Foreign Ministry has been informed by its Embassy in Buenos Aires that the purpose of the current tour of Latin America by Argentine labor representatives is to organize a congress of the Committee for Syndical Unity to meet in Mexico City to form an Argentine-backed Latin American labor organization. When the meeting would be held is not known. [REDACTED]

Comment: The Latin American Committee for Syndical Unity was formed at an Argentine-subsidized conference in Asuncion, Paraguay, last February. At that time Argentina tried to organize a strictly Latin American labor confederation, but could gain only enough support for the committee.

In view of the vigorous propaganda activities of its Labor Attaches throughout Latin America, Argentina may believe that now there is sufficient support for a confederation including some, though not the most important, unions from each Latin American country.

30. Bolivian Minister of Mines opposes "confiscation" of tin mines: Minister of Mines and Petroleum Juan Lechin stated on 19 September that he rejects immediate confiscation of Bolivia's tin mines and railways, as proposed by the Bolivian Labor Central (COB), because this "would place Bolivia at the service of Russia." Since Lechin heads the COB, his statement has been interpreted as his separation from the Communist or extremist leaders of the labor organization.

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Lechin said that the majority of COB members belong to the Nationalist Revolutionary Movement and support a policy of nationalization without class struggle. He also said that they favor reorganization rather than suppression of the army.

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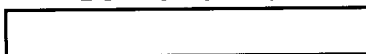
Comment: These statements are similar to those of President Paz and may indicate that for the present Lechin finds it more advantageous to cooperate with Paz. In the past Lechin has encouraged the COB's extremist demands and has threatened to call out labor to oust the President if nationalization were delayed.

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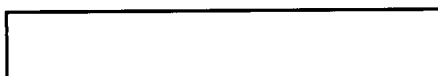
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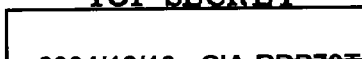
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CENTRAL INTELLIGENCE AGENCY

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NEAR EAST - AFRICA

2. Iranian official believes Mossadeq will not deliver ultimatum to British: Prime Minister Mossadeq's official reply to the joint Anglo-American approach for a solution of the oil dispute will neither threaten severance of diplomatic relations with Great Britain nor set a time limit for the British reply, according to the vice president of the Iranian Senate.

Ambassador Henderson also reports that Iranians close to Mossadeq are hoping that his reply will persuade Great Britain and the United States to change their policies toward Iran.

[REDACTED]

Comment: Awareness of nationalist sentiment in Iran may induce Mossadeq to deliver an ultimatum. Judging from his past actions, however, he may not carry out his threats. There is no evidence that he is ready to give up attempts at an agreement.

3. Mossadeq retains position despite Kashani challenge: Mossadeq is still the strongest political leader in Iran, according to Ambassador Henderson. Kashani, however, has a more effective political organization and Mossadeq's recognition of his growing prestige is indicated by the personal call he made on Kashani after the latter returned from Mecca. The Ambassador states that this is the first time that Mossadeq has called on anyone except the Shah in the last year.
- [REDACTED]

Comment: Kashani's political strength has increased materially since mid-July, when Mossadeq returned to power. There is no evidence, however, that he is strong enough to displace the Prime Minister.

WESTERN EUROPE

4. Italy believed unwilling to approve rapid build-up of NATO military bases: The American Embassy in Rome states that the Italian Government will certainly be unwilling to approve a rapid acceleration of the military bases program in Italy. The government fears that its survival in next spring's national elections would be jeopardized by such approval. The Embassy believes that such an acceleration would further the Soviet cold-war objective of alienating the peoples of Western

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Europe from the United States. [REDACTED]

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Comment: The Italians have previously indicated that a program of such scope would require parliamentary ratification.

LATIN AMERICA

5. Brazilian Foreign Minister confident Vargas will refuse to attend Ibanez's inauguration: Brazilian Foreign Minister Neves da Fontoura is confident that President Vargas will refuse a Chilean invitation to attend the Ibanez inauguration together with the presidents of Argentina, Bolivia, and certain other Latin American countries, not including Uruguay or Paraguay.

The Brazilian Foreign Ministry and the high-ranking military show some nervousness concerning Ibanez's plans. The Foreign Minister stated that Brazil is becoming increasingly isolated because it does not intend to be drawn into any anti-US combination, and that all ties between Brazil and the United States should be strengthened. [REDACTED]

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Comment: Brazil's attitude toward the Chilean invitation will be motivated by the desire not only to avoid antagonizing the United States but also to take that action most likely to weaken Ibanez's Argentine connections.

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CURRENT INTELLIGENCE WEEKLY SUMMARY



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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

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THE WEEK IN BRIEF
(Information as of 1200 EST 30 Nov)**NUCLEAR TEST BAN TALKS Page 1**

The new Soviet proposal for a simple four-point test ban agreement, containing provisions which the USSR has long known are unacceptable to the West, demonstrates the USSR's intention to use the Geneva talks as a propaganda forum for denouncing the continuation of Western testing, particularly any US decision to undertake atmospheric tests. Moscow hopes to use the talks to repair the damage to its image abroad caused by the long Soviet test series. The USSR's "new approach" is also intended to divert the discussions from previous Soviet obstructive demands such as the "troika" scheme in the control system and to exploit the US-UK rejection of a new uncontrolled moratorium on testing during the negotiations.

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SOVIET-FINNISH RELATIONS Page 3

The outcome of the Khrushchev-Kekkonen talks on 24 November in Novosibirsk is strong evidence that Moscow's main objectives were to ensure Kekkonen's re-election and to obtain some form of Finnish endorsement for the Soviet line that West German "militarism" threatens the USSR. The withdrawal of Kekkonen's only serious rival for the presidency practically assures Kekkonen's re-election. While the USSR dropped its demand for bilateral military talks, Kekkonen's statement referring to Soviet "arguments" on the danger of war in Europe as "well-grounded" provides Moscow with nonbloc support for its insistence on the necessity of a German peace treaty to remove this danger. Kekkonen stated that Moscow accepts Finland's neutrality as part of Soviet security policy, which places Helsinki "under obligation to preserve a foreign policy that has the Soviet Union's confidence."

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DOMINICAN REPUBLIC Page 6

The political situation continues unsettled. Efforts by the moderate opposition to force President Balaguer to resign and accept proposals for a coalition regime led to the crippling general strike launched on 28 November, despite the fact that the President and opposition leaders were close to an agreement. Rank-and-file oppositionists threatened to get out of the control of their leaders on 29 November as rioting broke out and popular hostility against the military became manifest. The military, under the strong leadership of General Rafael Rodriguez Echevarria, feels increasingly obliged to assume functions normally those of civil government.

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CONGO Page 7

Tshombé's defiant response to the UN resolution of 24 November--which rejected Katanga's claim to independence and authorized the UN to use force against Tshombé's mercenaries--poses the threat of new clashes between Katangan forces and the UN Command. Although tension is high in Elisabethville, a major move against Tshombé appears unlikely until the UN reinforces its 15,000-man Congo force. The campaign by Gizenga-oriented Congolese Army soldiers to occupy northern Katanga is not opposed by the UN Command and offers some prospect of success.

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FRANCE-ALGERIA Page 9

Secret talks between France and the provisional Algerian government are still under way, but there is evidence that both sides are coming to realize that any agreement reached would be difficult if not impossible to implement as long as the Secret Army Organization (OAS) commands support from the bulk of the European settlers in Algeria. The OAS already seems to exercise effective control in several areas, a situation which could develop into de facto partition no matter what Paris decides.

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SOUTH VIETNAM Page 10

The uneasiness in Saigon has been marked by editorial attacks on the US in the government-controlled press. The press attacks apparently were instigated chiefly by President Diem's brother Nhu, whose influence has been a major target of reform-minded critics in official and opposition circles. Several top army officers appear convinced that Diem must be removed from authority before the reforms they believe necessary to defeat the Viet Cong can be accomplished. Despite some drop in Viet Cong activity, the security situation continues to deteriorate.

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LAOS Page 11

Following the breakdown of talks on security arrangements for the meeting of the three princes at Vientiane, Souvanna has proposed that the meeting be held on 1 December at Hin Heup--site of the previous conference, in early October. Boun Oum's initial response has been negative. Souvanna has recently appeared more flexible on the question of cabinet composition, but negotiations will probably be characterized by tough bargaining by each faction. Military activity during the past week was marked by limited probing actions by both sides. Soviet Ambassador Abramov in Vientiane is still actively seeking the establishment of a "neutral and independent" government. At Geneva the USSR has stepped up its efforts to reach an early compromise agreement.

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ALBANIA'S RELATIONS WITH EAST AND WEST Page 13

Albania has maintained its propaganda offensive against the Moscow leadership in the face of unrelenting Soviet bloc criticism of the Hoxha regime. The Chinese leaders, through their actions and statements of the past week, have left no doubt that they continue to support Albania. Albania's neighbors--Greece and Yugoslavia--are concerned about the outcome of the controversy, although neither evidently plans unilateral action against Albania. Tirana continues efforts to broaden its international contacts; there has been what appears to be another feeler for US diplomatic recognition. [redacted]

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RENEWED DE-STALINIZATION PLAGUES ULBRICHT REGIME Page 15

Khrushchev's renewed attacks on Stalin and the attendant rush among the satellites to fall in line creates a dilemma for the East German regime. Ulbricht's personality cult must be soft-pedaled at the same time that his leadership has to be defended against widespread public and party criticism and complaints that his one-man rule is not in keeping with Khrushchev's revival of de-Stalinization. Ulbricht has echoed the Khrushchev line vigorously, but party leaders are confused and uncertain over how this should be reflected within East Germany. There are some tentative indications of steps to develop a successor for Ulbricht, but a move to replace or downgrade him does not appear imminent. [redacted]

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POLAND AND DE-STALINIZATION Page 16

At the 21-23 November plenum of the Polish party central committee, First Secretary Gomulka attempted to assuage fears in the party that the current de-Stalinization campaign would have serious repercussions in Poland. Since the Soviet 22nd party congress, well-known party and nonparty figures have called for liberalization and more freedom within Poland and within the bloc; some party members, however, fear that liberalization would release uncontrollable public pressures in Poland. In his report to the plenum, Gomulka discussed the disruptive tendencies roused by the Soviet congress and urged the preservation of bloc unity; he apparently feels that in the long term his regime can survive only in a politically stable bloc. [redacted]

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COMMUNIST CHINA'S FOOD PRODUCTION IN 1961. Page 18

For the third successive year food production in Communist China is estimated to have fallen below the level of the previous year. The grain harvest this year will be roughly equal to that of 1955, when there were about 90,000,000 fewer people to feed. This continued poor performance in agriculture will increase the threat of malnutrition and related health problems during the coming winter and spring and further impede the regime's policy of rapid industrialization. Peiping imported 5,500,000 tons of grain this year, and it probably will need more next year to maintain even the low food rations of last winter. [redacted]

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SINO-INDIAN RELATIONS. Page 19

Nehru's release of the government's fifth White Paper on Sino-Indian relations and the resultant Indian indignation over Peiping's alleged actions on the northern frontier compound New Delhi's dilemma in dealing with Peiping. The documents, which attempt to emphasize New Delhi's "firm" diplomacy, also point up the ineffectiveness of its China policy.

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BLOC TO STEP UP MERCHANT SHIPPING ACTIVITIES IN ASIA . . . Page 20

Plans are well advanced for a coordinated effort by the bloc to increase its merchant shipping activities in Asia. Soviet, European satellite, and Chinese Communist ships will apparently operate in a common pool coordinated from a headquarters in Bangkok or Rangoon. With an eye toward increasing economic relations with the Asian countries and breaking up the near monopoly of Western shipping interests in the area, the bloc will cut rates and will make regularly scheduled calls at ports regardless of the availability of profitable amounts of cargo.

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BLOC ECONOMIC AND MILITARY RELATIONS WITH MALI Page 22

An economic credit of \$7,500,000 extended to Mali by Poland brings total bloc credits to that country to well over \$68,000,000. The recent visit to Moscow by Malian Secretary of State for Defense Diakite and Armed Forces Chief of Staff Soumaré suggests that an additional arms agreement may also be forthcoming. Such an agreement would probably include Soviet assistance in the field of military air transport. The USSR and Czechoslovakia have already achieved a dominant position in Mali's civil aviation through the provision of commercial aircraft, operational and maintenance crews, and an aviation training program for Malian personnel.

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EGYPT. Page 23

In the wake of the most serious setback of his career--Syria's secession two months ago--Nasir has undertaken a series of domestic and foreign policy moves aimed at restoring his prestige and recapturing the dynamism of his socialist, neutralist, pan-Arab programs. The Egyptian leader in the past has demonstrated a remarkable ability to turn short-run defeats into longer range victories, and may succeed in doing so again, although he faces more difficult problems than ever before.

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COSTA RICA Page 25

Increasing bitterness among the three major candidates in Costa Rica's presidential elections on 4 February raises the possibility of violence in what is normally the most stable of the Central American republics. The Echandi government, weakened by a deteriorating economic situation and possessing little military strength, may be unable to prevent outbreaks of fighting during the final weeks of the campaign as well as in the immediate post-election period.

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SPECIAL ARTICLES**SOVIET EDUCATION IN TRANSITION Page 1**

Soviet education, which was geared in the 1930s to preparing a relatively few students for higher education, is being reorganized under the 1958 education law to supply the economy with skilled workers as well as highly trained specialists. The law extended universal compulsory education from seven to eight years but ordered that students in all grades from elementary school through higher education receive "labor training" as well as academic work. Various difficulties have arisen, particularly in the effort to integrate students into factory work, but the reorganization goals have not been modified.

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GREATER MALAYSIA Page 6

In talks in London from 20 to 23 November, Prime Minister Macmillan and Malaya's Prime Minister Rahman reached general agreement on the "Greater Malaysian Federation" scheme sponsored by Rahman and Prime Minister Lee of Singapore. If this scheme becomes a reality in August 1962, as now appears possible, Malaya, Singapore, and the British Borneo territories will become a new nation in the Commonwealth with a population of almost 10,000,000. The major obstacles to federation--the reluctance of Borneo peoples to join and British desires for unrestricted access to the Singapore military bases--appear to be on the way to solution. A major problem will be the unification of the politically and economically advanced peoples of Singapore with the primitive societies of Borneo.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**WEEKLY REVIEW**NUCLEAR TEST BAN TALKS**

The new Soviet proposal for a simple four-point test ban agreement, containing provisions which the Soviets have long known were unacceptable to the West, underscores the USSR's intention to use the Geneva talks as a propaganda forum for denouncing the continuation of Western testing, particularly any US decision to undertake atmospheric tests. Moscow hopes to use the talks to repair the damage done to its image abroad by the long Soviet test series. The USSR's "new approach" is also intended to divert the discussions from previous Soviet obstructive demands such as the "troika" scheme in the control system and to exploit the US-UK rejection of a new uncontrolled moratorium on testing during the negotiations.

In a move designed to appear responsive to the Western position, the Soviet statement of 27 November recalled the 3 September proposal by President Kennedy and Prime Minister Macmillan for a ban on atmospheric testing, relying on existing means of detection, and proposed that this ban be extended to include outer space and underwater tests. On the crucial and unresolved issue of underground tests, Moscow proposed a moratorium pending agreement on a control system which would be a "composite part" of an international system to supervise a general disarmament agreement.

This new approach raised the possibility that the Soviet Union, despite Khrushchev's 10 September rejection of the US-UK proposal when the Soviet test series was just getting under way, may eventually propose that this Western proposal be

adopted as the basis for an immediate agreement banning atmospheric tests. The Soviets may calculate that such a maneuver could inhibit the US from undertaking atmospheric tests and place the US and UK on the defensive in the talks.

A member of the Soviet delegation, in a conversation with a US delegate on 28 November, feigned surprise over the negative Western reaction to the new Soviet proposal and argued that the Soviet plan in essence went no further than the Western offer to ban atmospheric tests with monitoring left to existing national detection systems. The Soviet representative said the USSR would "emphasize" that the West's negative reaction represents a retreat from the 3 September proposal and insisted that world opinion would not understand this "switch" in position.

A TASS report on the 28 November session of the test ban talks said that the Soviet proposals were rejected by the Western representatives "without even bothering to study them." The report claimed that from the start the Western delegates displayed intractability and insisted on their old positions, while US delegate Dean said that the Western powers would not halt nuclear tests. Soviet delegate Tsarapkin told newsmen after the session that he was "not very happy" about the Western reaction to the Soviet proposals but commented that "after careful study of our proposals, after consideration of our new approach, the West could easily come to an agreement on this basis." Tsarapkin also said that the Soviet Union would

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not negotiate on the basis of "the ancient treaty proposed by the West."

Moscow's current proposal for the first time includes a demand for French participation in the talks and adherence to the agreement, although Moscow began warning last March that French testing while the talks were in progress could make the talks pointless. One of reasons Khrushchev advanced for his 10 September rejection of the US-UK proposal to ban atmospheric tests was its failure to include France. Khrushchev said the USSR would not tolerate such an "impermissible situation."

During the 28 November session Tsarapkin repeated the call for French participation but without making continuation of the talks dependent on fulfillment of this demand. His failure to do so and his mild comment that a pledge to refrain from testing would "facilitate" negotiations suggest that the Soviets are preparing for a long stay at Geneva and will try to place the onus for any breakoff of the talks on the Western powers. A Soviet delegate has already expressed "hope" that the Western delegations would follow the custom of proposing a Christmas recess.

By coming out in favor of an immediate ban on all tests, the Soviet leaders probably hope to convince neutral opinion that the Western desire for further tests is the main obstacle to an early agreement. In this connection Khrushchev explicitly stated in a recent letter to the president of the World Peace Council that if the Western powers conduct tests, "we too shall be obliged to

return to them in order to keep our armed forces at the modern level." In an obvious attempt to attract neutralist support for the "new approach," the Soviet Foreign Ministry immediately passed copies of its latest proposals to the ambassadors of neutral countries. The 21 November Soviet note agreeing to return to the Geneva talks had similarly been distributed promptly to neutralist representatives.

The draft treaty was released by the Soviets on 27 November, the day before the Geneva test ban talks resumed after a recess of almost three months. It marks a further shift from the position taken by Moscow that a test ban agreement could be considered only as part of an agreement on complete and general disarmament. Whereas last spring and summer the Soviet delegation in Geneva insisted that a ban on tests apart from general disarmament would be unacceptable unless the Western powers accepted the "troika" principle for controlling a test agreement, the new Soviet proposal avoids the controversial control issues and pays only lip service to a general disarmament agreement.

The plan in effect calls for a separate, uncontrolled ban on all tests and is a reversion to the position taken in early 1960, when the USSR made a similar proposal for a permanent ban on all tests except small underground explosions, which would have been covered by a voluntary moratorium. That proposal was eventually modified to link the duration of the moratorium to a research program to improve detection and identification

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techniques; the current plan, however, would extend the moratorium on underground tests until agreement could be reached on a system of controls for such tests, which would form part of an international control system for general disarmament. In this way Moscow would avoid submitting to a system of foreign inspection, which it had earlier claimed was far too extensive for an agreement limited in scope. Moscow would also avoid having to defend the "troika" plan, which it contends would not be necessary under general disarmament.

The Soviet statement accompanying the new draft treaty asserts that it represents a

"new approach" and is intended to "direct" the Geneva talks into a "practical current" in order to exclude the "difficulties and obstacles which stood in the way of an agreement in the past." This line suggests that in the face of widespread criticism of Soviet testing, the Soviet leaders probably felt they could not afford to stand on either of their previous positions of linking a test treaty to agreement on general and complete disarmament, or demanding a "troika" system for controls. The proposal indicates, however, that no international controls over a test ban agreement would be implemented until a disarmament agreement was reached. (Con-
curred in by OSI)

SOVIET-FINNISH RELATIONS

The outcome of the talks between Khrushchev and Finnish President Kekkonen in Novosibirsk on 24 November is strong evidence that the main objectives of recent Soviet moves regarding Finland were to make certain of Kekkonen's re-election and to obtain some form of endorsement of Moscow's charges against West Germany. Khrushchev's agreement to "postpone for the time being" the military talks originally demanded probably reflects both his desire to enable Kekkonen to claim an important victory in dealing with the USSR and his satisfaction with the results produced thus far by pressure tactics against Finland. Moscow's tactics have led to the withdrawal of Kekkonen's chief rival in the January presidential election, Olavi Honka, thus practically assuring Kekkonen's re-election.

The communiqué issued on 25 November after the talks makes no mention of internal Finnish politics. Khrushchev, in his speech at a luncheon for Kekkonen, made it clear, however, that the USSR would not accept a change in Finnish leadership or policies. Khrushchev warned, "It is not all the same to us what line is pursued by this or that leader and the political forces backing him." He added that the activities of the "right-wing groups" in Finland arouse "our grave concern." After his return Kekkonen called on those of his opponents who have no confidence in the Soviet Union's "friendship" to withdraw from the political arena and be "good losers." Moscow has thus virtually established a claim to decide the acceptability of Finnish political leaders, thereby extending to

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the presidential election its intervention of 1958 against the composition of the government.

According to the communiqué, Khrushchev again emphasized that the Soviet Government felt it necessary to hold military consultations in conformity with the treaty of 1948. As Kekkonen explained it in his radio address of 26 November in Helsinki, this demand presented Finland with two choices: either to accept the Soviet proposal or to strive to meet Soviet security requirements by "political" activity. In taking the latter course Kekkonen apparently agreed to endorse Khrushchev's evaluation of the situation in Northern Europe.

In the communiqué, Kekkonen agreed that "the arguments advanced regarding the possibility of a war's erupting in Europe are well grounded." Since the only "arguments" advanced by Khrushchev were the threat of West German militarism, this statement by the Finnish President goes far in accepting the Soviet thesis. In his 26 November speech, Kekkonen declared that the "Soviet Union's concern over West Germany's rearmament is a fact and is, in the light of history, understandable."

Khrushchev probably believes that these statements, together with his "concession" in postponing military talks, make it extremely difficult for Helsinki to resist future Soviet pressure for Finland's adherence to a bloc peace treaty with East Germany and recognition of the East German regime. The Soviet premier, moreover, can still renew his demand for military consultations if Finland's ac-

tions in the immediate future do not satisfy the USSR.

The communiqué states that Khrushchev "emphasized" the hope of the USSR that Finland will "attentively follow" the developments in Northern Europe and the Baltic and "in case of necessity will bring its considerations on taking appropriate measures to the knowledge of the Soviet Government." Kekkonen subsequently said that this language meant the initiative for proposing military consultations will henceforth come "primarily" from Finland.

While Khrushchev probably has no illusions that Finland would in fact propose such consultations, the Soviets will use this commitment as a lever to maintain pressure on Helsinki for a more pro-Soviet stand on the German question. The Finnish Communists promptly adopted the line that the government now must pursue a more "active policy" in Scandinavia.

As a possible result of the crisis provoked by the Soviet note, the trade talks in Moscow ended with agreement for an increase of approximately 25 percent in Soviet-Finnish trade for next year.

The over-all effect of the Soviet threat to force military consultations will be a substantial increase in Soviet influence over both Finnish domestic and foreign policies. Kekkonen stated that Moscow accepts Finland's neutrality as part of Soviet security policy, which places Helsinki "under obligation to preserve a foreign policy that has the Soviet Union's confidence." Khrushchev and Kekkonen apparently struck an implicit bargain agreeing

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to postpone military consultations in return for a Finnish willingness to provide important nonbloc support for the Soviet position on Germany.

The Communist thesis that neutrality carries an obligation to support a German treaty was recently propounded by East German party leader Ulbricht when he claimed that a "consistent policy of neutrality" as applied to the German and Berlin question "is tantamount to the promotion of the conclusion of a peace treaty" and establishment of "normal relations" with both German states.

Finnish, Scandinavian Reaction

The Finns received the communiqué on the talks with great relief and generally regarded the outcome as a great personal success for President Kekkonen. They are, however, aware of the fact that Finland has assumed the responsibility for taking the initiative in proposing consultations if the frontier of the USSR and Finland needs "safeguarding." This gives the USSR an opening to demand that Finland take a stand on international issues--even if only to state that they do not menace Soviet-Finnish security--rather than remain silent as in the past. Satisfaction in being granted a respite appears, however, to be stronger than concern over future difficulties.

The press and the public have been silent thus far on

the implications of Honka's withdrawal as a presidential candidate because of Soviet displeasure. However, a Social Democratic leader at a meeting of pro-Honka supporters in mid-November--prior to Honka's withdrawal--raised the question as to what would stop the Russians from requesting further assurances regarding Finland's continued neutrality through the election of certain candidates or parties in the parliamentary elections. The top leaders in the Social Democratic party are particularly distrusted by the USSR, and sentiment is developing within the party leadership that several individuals, including Chairman Tanner, must resign.

In the Scandinavian countries, the initial relief over Moscow's postponement of its request for consultations on defense matters is giving way to an awareness that Finland's future may well depend on actions they take in political and defense matters. Nevertheless, the Danish Government apparently hopes by late December to secure parliamentary approval of the widely debated Baltic command proposal, which evisions closer military cooperation between Denmark and West Germany. Commenting on Moscow's sharp attacks against the proposal, a leading Danish newspaper speculates that the Soviet Union may use Denmark's final approval as a pretext to renew pressure on Finland for cooperation in defense matters.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****DOMINICAN REPUBLIC**

Inability of the top leaders of the moderate opposition groups to control their followers was a crucial element in the outbreak of mob violence in the Dominican Republic on 29 November; it also threatened to undo the results of negotiations that had brought President Balaguer and opposition leaders close to agreement on a political solution. Dr. Viriato Fiallo--leader of the National Civic Union (UCN), the largest opposition group--recognized the dangers of the UCN-inspired general strike launched on 28 November, but apparently could not head it off. He evidently felt incapable of opposing the strong emotional tide among UCN members who demanded a quick end to all vestiges of the dictatorship, including the immediate resignation of Balaguer.

While the strike stimulated new attempts to reach an agreement between the President and the opposition, it made an ultimate solution more difficult by creating additional cleavages between the opposition and the military. UCN radios, before they were shut down on 28 November, accused military leaders of siding with "the forces of reaction" remaining in the government. Only a few days earlier the same military officers had been hailed as liberators for ousting the Trujillos. The movement of tanks and troops through the streets of the capital in an effort to main-

tain order on 28 and 29 November increased tension and hostility against the military. The military, on the other hand, considered the strike a breach of faith by the opposition and a "grab for power" by illegal means.

General Rafael Rodriguez Echevarria, ranking cabinet member and constitutionally first in the line of succession, appears to control the armed forces and remains a key but ambiguous figure. Under his direction, the military gave strong support to Balaguer's position during the general strike, and Rodriguez personally disclaims any ambition to become president. Nevertheless, in the absence of an effective civil government with opposition participation, he has felt obliged to take several actions normally reserved for civil government.

Rodriguez appears to exaggerate the Communist issue in domestic developments, giving Communists responsibility for the intransigence of the UCN and the popular unrest. Some members of the OAS group, which concluded its latest visit to the country on 26 November, fear that Rodriguez may be "another Trujillo in the making" who is using the Communist issue to achieve his personal ambitions.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

CONGO

Tshombé's defiant response to the UN resolution of 24 November--which rejected Katanga's claim to independence and authorized the UN to use force in ousting Tshombé's mercenaries--poses the threat of new clashes between Katangan forces and the UN Command. On 26 November, Tshombé charged that war had been brought to the Congo by UN members "utterly ignorant of the Congo," and warned that Katanga would choose "annihilation" rather than capitulate to the UN. The beating of two senior UN officials in Elisabethville by a mob of Katangan soldiers on 28 November probably stemmed in part from Tshombé's efforts to arouse his followers against the UN resolution.

The UN resolution is not directed specifically to the problem of Gizenga's secessionist activities in Kivu and Orientale provinces. In concentrating on Katanga, however, it reflects the prevailing opinion in Leopoldville, where most of Adoula's supporters regard Tshombé rather than Gizenga as the main threat to Congo unity. The Security Council resolution once more confronts Tshombé with the threat of a "two-front war" in which he will have to resist new UN pressure for the evacuation of his white volunteers at the same time that he is confronted with Gizengist incursions from the north.

[redacted] the offensive launched by Gizenga has overrun the towns of Kabalo, Nyunzu, and Albert-

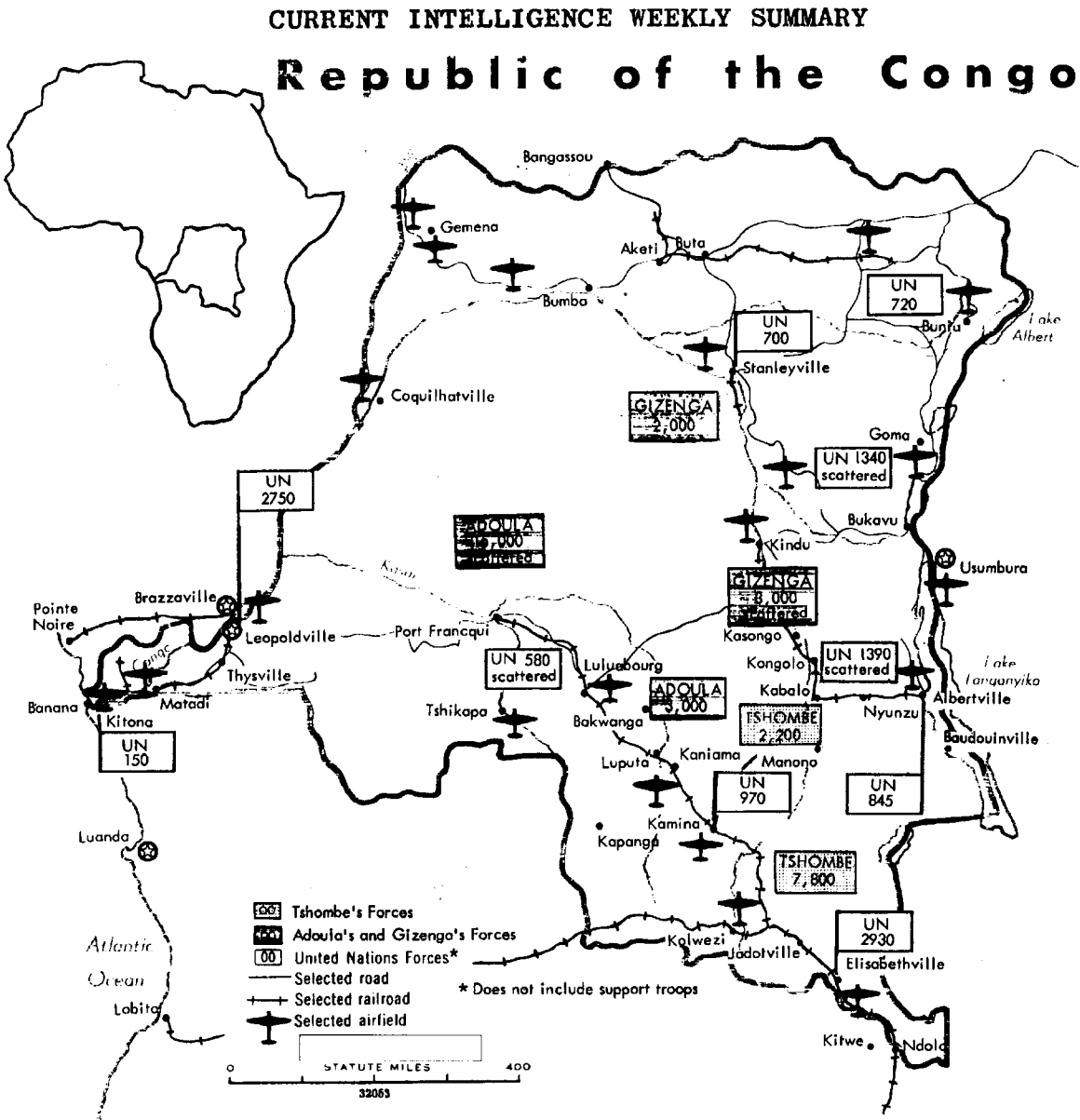
ville in northern Katanga. These forces, moving south from Kivu Province, have been under the command of General Victor Lundula, who has recently aligned himself with Adoula's central government, but they are apparently being directed by Gizenga without any control from Leopoldville. The invading forces appear disposed to bypass rather than attack Kongolo, which with a garrison of an estimated 1,400 Katangan soldiers is Tshombé's main stronghold in the area. Following the massacre of the 13 Italian airmen at Kindu and the pillage of Albertville by the invaders, the UN appears to have assumed some security functions in the towns the Congolese have occupied.

According to a senior UN official in Elisabethville, UN forces there will be undermined from around 4 to 14 December, while Swedish and Irish battalions are being rotated. The consulate observes that it would appear impossible for the UN Command to take offensive action against Tshombé in the next several weeks, and that the UN may even be pressed to maintain security in the Elisabethville area.

In accordance with its intention of bolstering its 15,000-man Congo force, the UN announced on 22 November that the UN Command would be reinforced by an 800-man Ghanaian battalion. The UN, however, has balked at Ghana's insistence that its contingent not be based anywhere except in Leopoldville without clearance from Accra. Accra's interest in seeing its troops

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based in Leopoldville suggests that the Ghanaian contingent may once again be politically active in support of leftist elements in the Congo.

In Stanleyville, the flooding of the Congo River has posed a threat to public health and has aggravated the province's

long-standing economic dislocations. Public security is also precarious, with Congolese Army soldiers in the area seemingly responsive neither to Gizenga nor to Lundula. An early return to either political or economic stability in the area appears unlikely.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****FRANCE-ALGERIA**

Secret talks between France and the provisional Algerian government (PAG) are reported still under way, but there is increasing evidence that both sides are coming to recognize that any agreement reached would be difficult if not impossible to implement as long as the anti-Gaullist Secret Army Organization (OAS) commands support from the bulk of the European settlers in Algeria. The OAS already seems to exercise effective control in several areas, a situation which could develop into de facto partition regardless of what Paris decides.

In a 24 November conversation with US Embassy officers, rebel information minister Yazid said the PAG considers the matter of Ben Bella's hunger strike "settled." Yazid, asserting that the PAG would not demand the outright release of Ben Bella or the other rebel leaders held by the French, said that the PAG now regards the prospects for successful negotiations with the French as excellent. Both French Interior Minister Frey and Socialist leader Guy Mollet reportedly said last week that secret negotiations with the PAG were proceeding satisfactorily.

However, there are indications that the PAG is becoming increasingly convinced that, because of the strength of the OAS and the erosion of Paris' control in Algeria, the PAG has little chance of being actually installed in Algiers in the near future, and that it would therefore be a mistake to follow through on negotiations.

25X1 [] the PAG would still have to fight the OAS before it could rule Algeria. Consequently, Boumendjel reportedly reasons, the PAG should cause the negotiations to fail by

making extreme demands, and then accept partition of Algeria in order to win a base from which to rally the Moslem population to its support and to carry on military action against the remaining Europeans.

Mollet--predicting that the Algerian situation will reach a climax within the next two months--believes that the French Government's security situation in Algeria is untenable and that the PAG realizes it could not take over OAS-controlled Algiers and Oran. 25X1

Meanwhile, the effectiveness of De Gaulle's campaign to rally the support of the French armed forces is not yet clear. The 3,000 or so officers and men from France and abroad whom he addressed at Strasbourg on 23 November gave his plea for national unity on the Algerian issue what initial reports described as a "mixed"

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reception.

Some quarters have expressed the view that the assembly of so many officers to remind them of their duty may in the long run boomerang so far as public opinion is concerned in providing evidence of the regime's weakness vis-a-vis the military. The publicly expressed opposition to De Gaulle last week

by Marshal Juin and the reserve officers' association will reinforce this view.

Press and military circles are apparently taking seriously rumors that, if negotiations with the PAG are not resumed, Minister for Algerian Affairs Joxe will be replaced by Armed Forces Minister Messmer. It is speculated that the way would then be clear to appoint as defense minister the retired chief of staff for national defense, General Paul Ely, whose prestige might succeed in restoring the unity of the armed forces behind the regime.

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SOUTH VIETNAM

The uneasy situation prevailing in Saigon has been sharpened by unprecedented editorial attacks on the US in the government-controlled press. The press campaign charges the US with "imperialist" ambitions and stresses South Vietnam's own resources in the fight against the Communists. The campaign is reported to have been largely instigated by Diem's brother and chief political adviser, Ngo Dinh Nhu, whose pervasive influence in the government apparatus has made him the chief target of local critics of the present regime.

Restiveness among the South Vietnamese military command may be reaching a critical stage. Several ranking officers appear convinced that the reforms which they regard as necessary for a victory over the Viet Cong can be brought about only through a coup d'etat. In a conversation with American military representatives on 24 November, the commander of South Vietnam's field forces, Major General Duong Van Minh, and his deputy, Brigadier General Le Van Kim, stressed the continuing inadequacies in command and intelligence operations and stated

that the next few months could be decisive in South Vietnam's "extremely grave" situation. The deputy commander of the Third Corps Zone (the southern part of the country) recently told the US assistant army attaché that plans to bring about changes in the government are nearing completion and that "something" would be done very shortly.

Although there was a decline in reported Viet Cong activity last week and government forces claim some tactical successes, there has been no discernible change in the gradually deteriorating security situation. The military chief of the Mekong delta province of Kien Hoa recently stated that the Viet Cong controls about half his area, commands the loyalty of about half its people, and is able to land up to 300 men almost anywhere along the coast without detection. As evidence of the increasing infiltration of North Vietnamese in his province, he cited the growing brutality of the Viet Cong, a new battle technique of concentrated heavy-weapons firing, and the reinforcement of existing Viet Cong units in the area.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****LAOS**

Failure of the rival factions to agree on mutually satisfactory security arrangements for the projected meeting of the three princes in Vientiane has led Souvanna Phouma, supported by Souphannouvong, to propose that the talks be held at the site of their last meeting in early October--Hin Heup, a village located at the front lines. Souvanna suggested that the meetings begin on 1 December.

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Souvanna Phouma

indicated his willingness to add three non - Xieng Khouang neutralists to his "neutralist center group," but declared that the addition of a fourth would be "difficult." Souvanna expressed general agreement with the view that integration of the armed forces should precede national elections, observing that he was "not going to have elections while the Pathet Lao had armed forces wandering around."

Soviet Ambassador Abramov has had talks with Phoumi, Boun Oum, and Ambassador Brown in Vientiane. He told Phoumi that the USSR desired a "neutral independent" Laos and was prepared to offer substantial economic help to the new government. He remarked that a team of Soviet technicians was in Xieng Khouang in order to establish an electrical plant. Abramov reiterated the USSR's desire to avoid a

resumption of hostilities and stressed that a coalition government headed by Souvanna Phouma was the best possible solution to the Laotian problem. He indicated that he would remain in Vientiane for several days and implied that he would be willing to use his influence with the Xieng Khouang faction to bring about an early agreement on the formation of a coalition government.

Anti-government units have initiated probing actions in the areas surrounding Nam Tha and Luang Prabang as well as farther south in the region northwest of Thakhek. Laotian army forces have continued local clearing sweeps in the northern provinces, and Meo units continue their harassment of enemy activities in the Plaine des Jarres.

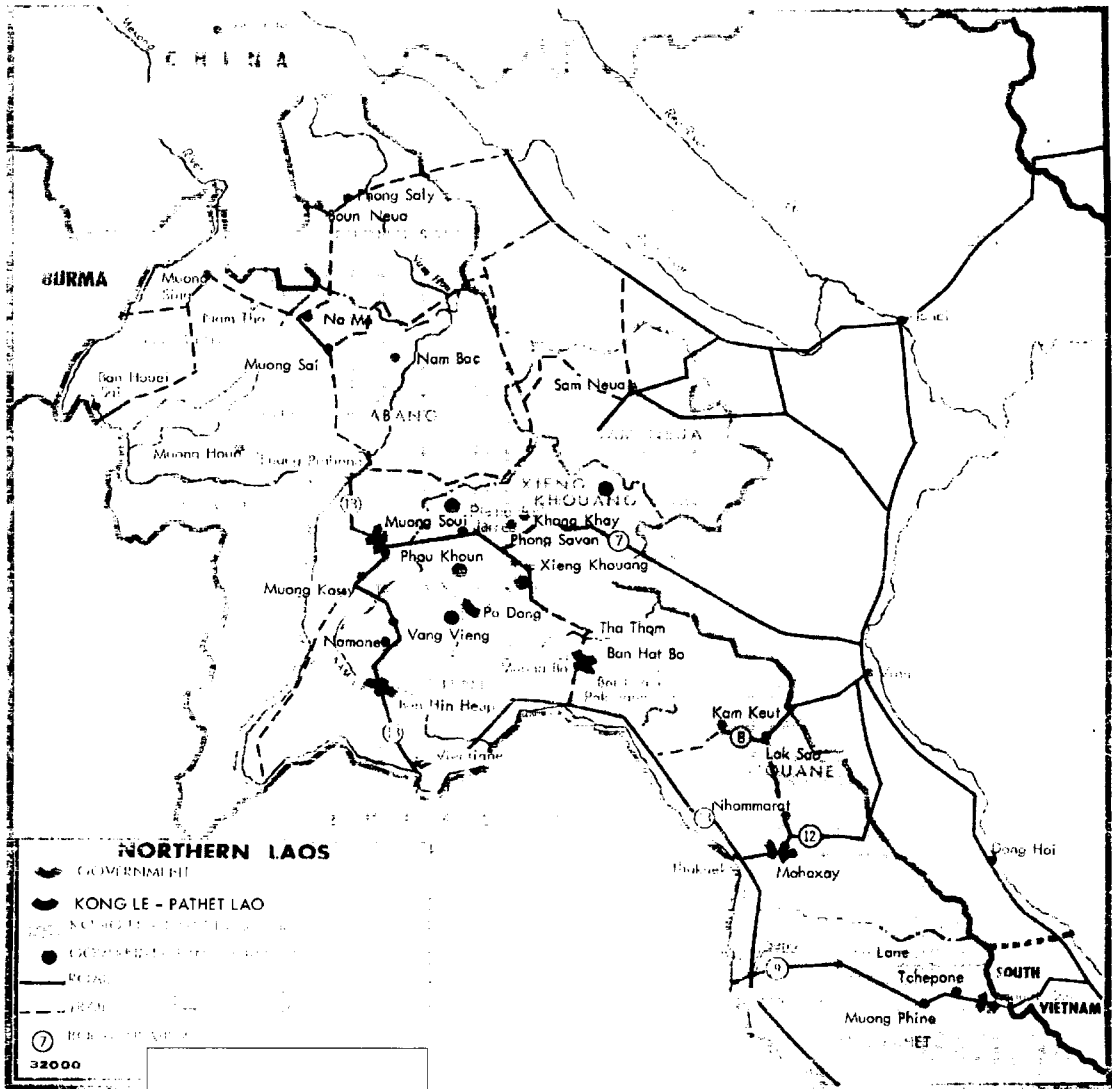
The USSR has stepped up its efforts at Geneva to reach an early compromise agreement. On 21 November Soviet delegate Pushkin proposed that the US, the UK, France, India, the USSR, and Communist China "sit around the conference table" until an agreement is reached. All the unsettled issues are now under specific negotiation at Geneva. Pushkin continued to demand that any conference declaration must take explicit note of the abrogation of the SEATO protocol for Laos.

Although final agreement has almost been reached on the

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language to be used in describing the investigatory and voting functions of the International Control Commission (ICC), Pushkin has consistently opposed Western proposals to enhance the authority of the ICC. He has rejected an amendment to the proposed neutrality declara-

tion which would tie the ICC's role more closely to the overall responsibility of the co-chairmen, claiming that it was obvious that the ICC would have to inform the co-chairmen of any neutrality violation.

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ALBANIA'S RELATIONS WITH EAST AND WEST

Albania took another step in its propaganda offensive against the USSR last week by having its embassy in Moscow distribute to other foreign missions at least four documents bearing on the dispute, including the text of Hoxha's vitriolic 7 November attack on Khrushchev. Recipients included the missions of Canada, Iceland, and the Netherlands, which have no relations with Albania. Distribution of the documents in Moscow appears designed to dramatize Albania's defiance and to gain a worldwide audience for its attempts to set "the facts" straight.

At the Fourth Congress of the Working Youth Union--held in Tirana from 23 to 25 November--renewed attacks were made on Khrushchev by union chief Todi Lubonja and by Hoxha's wife. Madame Hoxha defied "Khrushchev, Mikoyan, and others" and said Albania would show them how it can live without Soviet assistance. The head of the Chinese Communist delegation to the meeting vowed continued support for the Hoxha regime. There were no other bloc delegations. The hall in which the congress was held reportedly was decorated with portraits of Stalin, Marx, Lenin, and, for the first time, Mao Tse-tung.

The Albanians have good reason to pay homage to Mao. Last week, in a strong statement of support for Albania, Mao Tse-tung and other top Chinese Communist leaders sent greetings to the Albanians on the 17th anniversary of their "liberation." In the message, the Chinese extolled the "correct leadership" of Hoxha and his party's "consistent loyalty to Marxism-Leninism" in passages which stood in sharp contrast to Pravda's 28 November charge that the Albanian leaders are embarked upon a "dangerous course." In the face of recent statements by European Communist leaders which im-

plicitly indict Peiping for backing Tirana, the Chinese message insisted that Albania is a "glorious member of the big socialist family" and promised that China's friendship for Albania is "unbreakable."

In addition, People's Daily on 27 November published, along with extracts from Tito's 13 November endorsement of the Soviet attacks on Albania, an article by the authoritative Observer which charged that the "renegade" Tito is pursuing a course of "international opportunism" by scheming to "subvert and annex" Albania. Tito and the Yugoslav revisionists, who have been used in the past by Peiping as a stalking-horse for Khrushchev, were described as "teachers by negative example" who could show true Communists in a "reverse way" what was right or wrong; the implication was that those who found themselves in agreement with Tito on the issue of Albania ought to re-examine their position. In a pointed reference to the "controversies within the socialist camp," Observer implied that Khrushchev's actions in promoting the present disarray in the world Communist movement gave satisfaction only to imperialists, reactionaries, and revisionists.

North Korea and North Vietnam, whose positions in the dispute have been ambiguous since they refused at the Soviet 22nd party congress to join in the concerted attacks on Albania, now have shifted visibly toward the Chinese/Albanian side. Hanoi and Pyongyang have also followed the Chinese lead by sending party greetings to the Albanians on their "liberation" holiday. Mongolia remains alone among the Asian satellites in condemning the Albanian leaders.

The European satellites have maintained their campaign

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against the Hoxha regime. During recently held central committee plenums, Hungarian, Polish, and East German party chiefs set the tone for condemnation of Albania in their countries. Adopting a tactic used by the Soviets, all of them implicitly invited the "Albanian people and party members" to throw out their leadership and abandon their "fatal path." All of them attacked Hoxha and Shehu in terms similar to those employed by Czechoslovak party boss Novotny, who earlier had castigated Tirana before his own central committee.

Radio Moscow's Albanian broadcast on 19 November summarized for the benefit of the Albanian people criticism of the Tirana heresy from Eastern European newspapers. Both Pravda and Izvestia have used Albania's national day as a springboard for new critical comment on Albanian leaders. Always correct on protocol matters, the USSR also sent a message of greeting to Albania, but unlike those from the Far Eastern Communist countries, this message was addressed to the "Albanian people" and contained no expressions of praise for the Albanian party or its leaders.

Poland has refused to deliver a 5,000-ton merchant ship it had built for Albania, and the Albanian crew has had to return home. Albanian ambassadors were recalled from European satellite capitals early in November apparently for consultation and instructions. The ambassadors to Poland, Czechoslovakia, Rumania, and Bulgaria have returned to their posts; there is no information regarding the others--bloc ambassadors to Tirana evidently remain absent from their posts.

Albania's neighbors--Greece and Yugoslavia--have been watching developments closely. Ambassador Briggs

believes that Athens fears a Soviet-Yugoslav deal on Albania which would not take Greek territorial claims into account. Interested in maintaining Hoxha "for his nuisance value"--and at the same time in preventing any change inimical to Greek interests--

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Yugoslavia has publicly, although not unequivocally, renounced action against Albania. Ambassador Kennan, while not ruling out Yugoslav subversive efforts, does not believe that either Belgrade or Moscow could overthrow the Hoxha regime. He reports that Yugoslav officials apparently believe Moscow will not intervene militarily in Albania and foresee no change in Hoxha's status "for a considerable time." Kennan has also said, however, that Yugoslavia would probably intervene if the Albanian internal situation deteriorated markedly or if some other state intervened directly.

Albania has sought to broaden its economic ties in the West in recent weeks. It was learned last week that as of 17 October Tirana offered chrome ore, asphalt, and ferro-nickel for immediate delivery to a US firm.

This move was followed on 17 November by what may have been another informal feeler to the US for diplomatic recognition which would facilitate expansion of trade with the US. The newspaper of a Communist-dominated Albanian emigré group in Boston stated that the major obstacle to renewed relations had been removed with Tirana's "declaration of independence" from Moscow. This newspaper was also the medium for an informal feeler last July, when it called for an improvement of Albanian relations with the US and other Western nations.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****RENEWED DE-STALINIZATION PLAGUES ULBRICHT REGIME**

Khrushchev's de-Stalinization campaign is continuing to cause difficulties for East German party functionaries, who, beset by party and public criticism of Ulbricht's personality cult, are in some cases themselves hostile toward the regime leadership. Confusion, uncertainty, and caution have been reflected in the party's efforts to dissociate Ulbricht from the charges against Stalin and--in the face of his obvious "dogmatic and sectarian" leanings--to depict him as a great German leader and "creative" Marxist-Leninist theoretician.

While the propaganda campaign to defend Ulbricht opened early in November, the first formal statement issued by the Socialist Unity party (SED) central committee was not published until 12 November, more than three weeks after Khrushchev's initial attacks on Stalin at the Soviet 22nd party congress. The statement claimed that Ulbricht has maintained an anti-Stalinist line ever since the 20th congress in 1956, "proved" that he never was guilty of sectarian or dogmatic practices--let alone revisionist or opportunist deviations--and asserted that he acted in the name of the SED's collective leadership.

The statement nevertheless implicitly admitted that the party had been guilty of "sectarian distortions" in its policy toward the intelligentsia, artisans, and retail traders and cooperative farmers--precisely those groups of East Germans who fled to the West in the greatest numbers prior to the sealing off of West Berlin on 13 August. This admission, in effect, is a criticism of Ulbricht for his inability to win support among the East German population.

Khrushchev's renewed attacks on Stalin have clearly made it incumbent on all the satellites to demonstrate their

concurrence, but the East German regime is attempting to avoid any changes, or any reference to Ulbricht in connection with necessary changes, which could furnish ammunition to anti-Ulbricht elements of the public or within the party.

On 22 November, Neues Deutschland published an article by Minister of Culture Alexander Abusch defending Ulbricht in its first edition, but the article did not appear in later editions. It was replaced with a Pravda article of 21 November which defended Khrushchev's attacks on Stalin against Western charges that the Stalinist experience points up the basic weakness of the Soviet system. Two days later, the Abusch article was revived and given wide publicity as a rebuff to Western criticism of Ulbricht. Abusch relies on copious quotations from Lenin to show that "there can be no persistent class struggle in present-day society without a dozen talented and tested leaders--talents are not born by the hundred."

During the past three weeks Ulbricht has not participated in any public ceremonies, reappearing only for the central committee plenum, held 23-26 November. Meanwhile, Neues Deutschland carried a succession of articles eulogizing Ulbricht's leadership qualities.

At the central committee plenum, Ulbricht vigorously defended Khrushchev's de-Stalinization policies and, in an apparent effort to instill confidence in SED functionaries, affirmed his intention to "carry out the construction of socialism in our country to victory and then go further along the road of building communism." Revealing, moreover, that Lavrenty Beria had advocated a "soft" line on Germany in 1953, Ulbricht took credit for opposing it. He further implied that Malenkov had espoused less

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hard-line internal policies than Ulbricht's own.

Without making a specific identification with the former Soviet leaders, Ulbricht then sharply attacked his erstwhile rival, Karl Schirdewan, who was purged from the leadership in 1958. Ulbricht charged the "factional and opportunistic" Schirdewan group with "softness" on the German question and on the issue of promoting socialization in East Germany, as well as with encouraging "dogmatic" tendencies.

Despite the effort to whitewash Ulbricht, there are some indications that preparations are being made for a phased retirement. Recent East German references to him emphasize his position as chairman of the State Council, rather than SED first secretary. Moreover, for the past several months

there has been a marked effort to bring younger party figures into top positions to replace older men who have been associated with Ulbricht since his exile during World War II in Moscow. These moves suggest that the leadership is being broadened, with a view to the eventual designation of one of the younger men as party leader, while Ulbricht himself would be confined increasingly to the ceremonial aspects of the State Council post. In the meantime, he appears to be exercising over-all control in his usual authoritative manner.

Moscow probably would be reluctant to sanction any sudden downgrading of Ulbricht, since such a move, in the absence of a designated or even obvious successor, would give rise to strife and confusion within the German party and encourage anti-regime elements among the populace.

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POLAND AND DE-STALINIZATION

At the 21-23 November plenum of the Polish party central committee, First Secretary Gomulka attempted to assuage fears in the party that the renewed de-Stalinization campaign begun at the Soviet 22nd party congress would have serious internal repercussions in Poland. Despite his approval of the public downgrading of Stalin, Gomulka felt it necessary to caution against sweeping attacks on Stalin's memory; the Polish leader may have fears similar to those expressed recently by politburo member Jedrychowski--that the anti-Stalin campaign could lead to uncontrollable public pressures for greater freedom and reinvigorate revisionist elements within the Polish party.

Gomulka twice indicated that he was not completely satisfied with the Soviet party's

handling of de-Stalinization, although he agreed with the policy. He referred to anxieties and questions which had arisen since the campaign was broached--leading in some parties to dogmatic or revisionist interpretations--but he conceded that the Soviet party had not yet "said everything" concerning the personality cult, because "apparently the time has not yet come for it." Gomulka's speech suggested that he is worried about the effects of the campaign within the bloc, as well as within Poland.

This concern may be well founded. Since the Soviet congress, authoritative articles by well-known party and nonparty Polish figures have called for liberalization and more freedoms within Poland and within the bloc. Politburo

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member Zambrowski has publicly advised the party to allow workers' ("self-government") councils a real role in industrial management. The councils arose in the more liberal days of late 1956 but subsequently were completely subjugated to party control.

Zambrowski also called for greater inner party democracy in a manner reminiscent of Poland's anti-Stalinist struggles in 1955 and 1956. He has been seconded in this by a leading young Communist journalist, who added that the open discussion of problems and ideas should be extended to interparty relations.

A physicist with an international reputation, Leopold Infeld, has called publicly for more personal freedom for citizens of Communist countries. A Polish Catholic parliamentary deputy, writing in the heavily censored Catholic paper Tygodnik Powszechny, also urged more personal freedom. A regime-sponsored writer has said that the Soviet 22nd congress meant that writers must adopt "new realism," meaning the "whole truth," even if it should be "severe and absolute." Her qualification that the new writing must be conditioned by an ideological attitude is lost in the call for truth.

In his report to the plenum, Gomulka urged the preservation of as much bloc unity as possible; he apparently feels that in the long run his own regime can survive only in a politically stable bloc. He discarded the idea of polycentrism among Communist parties, recently revived

by segments of the Italian party, as too vague and dangerous because it might lead to dogmatism and revisionism. Earlier, however, the Polish press--unlike the Soviet press--had published the Italian party's proposal in great detail.

Gomulka similarly dismissed Yugoslav revisionism--i.e., national communism outside the bloc--as a disruptive mechanism. Nevertheless, even after the plenum, the Polish party press has continued to praise Yugoslav foreign policies, industry, science, and culture, although it has refrained from lauding the Yugoslav party.

The correct policy of every party, Gomulka told the plenum, should be "formed by creative, undistorted Marxism-Leninism, which takes into consideration the conditions of each country." This statement describes the core of Gomulka's internal policies, which are based on freedom to meet internal problems in a flexible manner, while stressing complete adherence to over-all bloc policies.

Gomulka attacked as unnecessary any idea of establishing central or regional organizations to direct the activities of all parties. His attack suggested that the subject had come under discussion at the Soviet congress in connection with the deviations of Albania and China. In an obvious reference to these divergences, Gomulka defended interparty conferences, such as were held in Bucharest and Moscow last year, as necessary for clear elaboration of the principles and policies of Communist countries. He urged that the decisions of these meetings be binding.

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COMMUNIST CHINA'S FOOD PRODUCTION IN 1961

Food production in Communist China is estimated to have declined for the third successive year. It is estimated that grain production in 1961 will be roughly equal to that produced in 1955, when there were some 90 million fewer people to feed. The effects of this continued poor performance in agriculture will be to increase the threat of malnutrition and related health problems during the coming winter and spring. It will offset Peiping's effort to allay growing public discontent and apathy by raising incentives, and will further impede the regime's policy of rapid industrialization. With the population growing by about 14,000,000 a year, Peiping probably will have to buy considerably more grain in 1962 than the 5,500,000 tons imported in 1961 if it is to maintain even the low food rations of last winter.

Grain production in China has fallen steadily since 1958's bumper harvest, which was estimated at 212,000,000 tons. Peiping's failure to release usable economic statistics for 1960 and 1961--an obvious indicator of serious economic difficulties--makes any precise estimate for 1961 difficult. However, on the basis of acreage and yield data for 1957--the last year of relatively reliable economic data--adjusted for this year's weather and changing crop patterns, grain output for 1961 is judged to be about 175,000,000 tons.

Agricultural production has been adversely affected since 1958 by generally unfavorable weather and widespread mismanagement in rural affairs. Peiping's promptness and apparent frankness in reporting natural calamities reflect an attempt to blame agricultural problems on nature rather than on the regime's errors in rural planning and organization. While Peiping continues to blame agricultural reverses on the weather, the regime has made a major, but little publicized, effort to reverse commune policies which have been reducing agricultural production since 1958.

In its retreat from the centralized authority and bureaucratic excesses of the communes, the regime has experimented with a "new farming system" in which the production teams work out realistic targets with the party cadre and are then

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permitted to keep any excess achieved over the target. When given an option on following this new system, however, some units have rejected the offer because of mistrust of the government's promises. Peiping's recent stress on successful completion of grain procurement and distribution suggests widespread passive resistance to official programs.

some production teams have been withholding part of their production for distribution among team members rather than forwarding it to the brigade for central distribution. If this practice is common, the food supply available to Peiping will be even further reduced during the coming winter and spring.

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SINO-INDIAN RELATIONS

Nehru's release of the government's fifth White Paper on Sino-Indian relations and the resultant Indian indignation over allegations of small but continuing Chinese Communist intrusions in Ladakh and Sikkim have compounded New Delhi's dilemma in dealing with the Chinese. In reporting to Parliament, Nehru has sought to demonstrate his government's "firm" diplomacy in dealing with Peiping. At the same time, however, the documents again point up indirectly the ineffectiveness of Nehru's efforts to secure India's northern border and to persuade the Chinese to "vacate" their "aggression."

The latest White Paper contains 108 separate documents, exchanged during the past 13 months. Included are charges and denials of border intrusions and airspace violations, harassment of nationals, Peiping's personal vilification of Nehru, and interference with Tibetan trade.

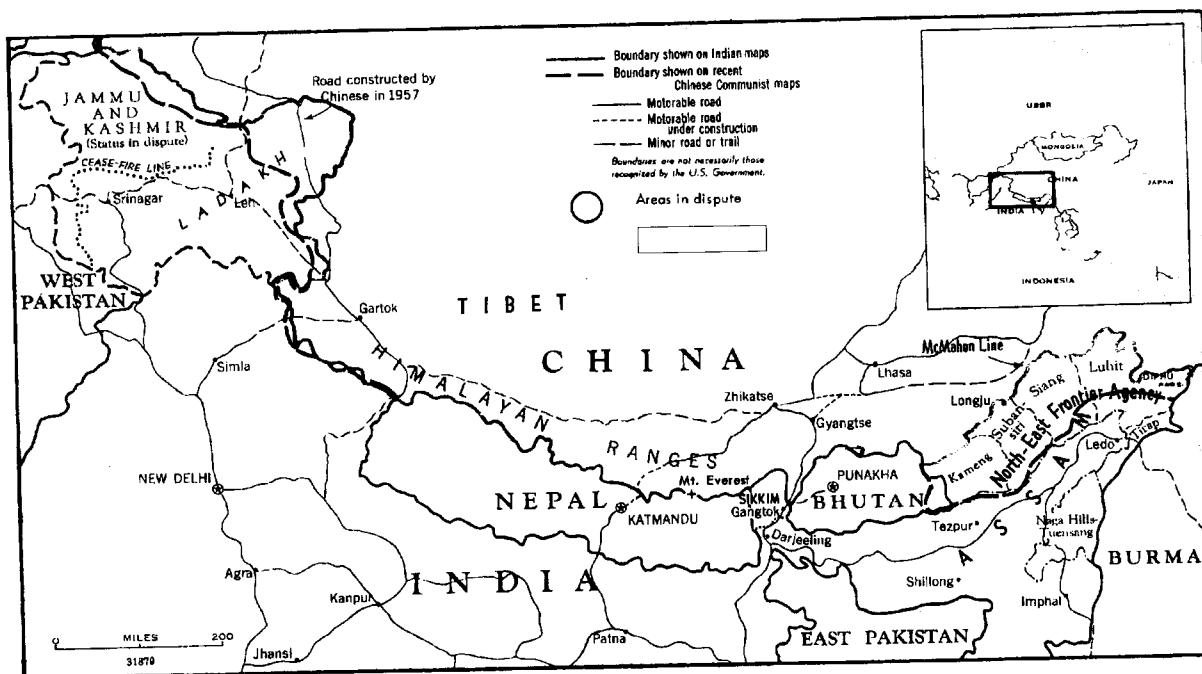
The report's publication has been followed by renewed

demands in India for an end to diplomatic relations and adoption of a vigorous military policy on the frontier--steps which, in Nehru's eyes, would serve only to aggravate the situation. He apparently prefers to keep the door open for negotiations and rules out recourse to military action because of fears it might broaden into general warfare.

The effect of his policy, however, is to give currency to opposition charges that New Delhi is unwilling to assert itself against Peiping with anything more than denunciations of the Chinese and pledges to continue building India's defense establishment. The prime minister's critics, especially those with an eye on the elections in February and Defense Minister Krishna Menon's scalp, have stressed in Parliament and the press that continued weakness will only encourage Peiping to further "aggression."

New Delhi's charges have not yet drawn a public retort from Peiping. However, Chinese propaganda may try to counter these renewed accusations,

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possibly by reiterating Peiping's willingness to "negotiate" the border dispute. There are reports that Chinese forces in Ladakh continue to consolidate their position, but no specific confirmation of new Chinese outposts. Peiping has argued that the border is undefined and that its troops are justified in operating within Chinese-claimed areas.

Meanwhile, Peiping is continuing its efforts to weaken Indian political ties in the border area.

BLOC TO STEP UP MERCHANT SHIPPING ACTIVITIES IN ASIA

Plans are well advanced for a coordinate effort by the bloc to increase its merchant shipping activities in Asia. Soviet, European satellite, and Chinese Communist ships will apparently operate in a common pool coordinated from a headquarters in Bangkok or Rangoon. The bloc seeks not only to increase economic re-

lations with the Asian countries but to break up the near monopoly of Western shipping interests in the area.

Bloc shipping officials in the past have frequently indicated a desire to establish direct shipping services to the underdeveloped Asian nations, and the bloc's Council for Mutual

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Economic Assistance (CEMA) since 1957 has discussed the possibility of pooling merchant ships under coordinated CEMA control in order to launch such a drive. Until late 1960, however, little positive action was taken along these lines, except for independent moves by the USSR, East Germany, and Poland to increase their shipping services in the area.

In September 1960, the commercial counselor of the Soviet Embassy in Burma called a conference of Sino-Soviet bloc trade representatives in Rangoon to discuss the merging of shipping operations in the area. It was decided that Rangoon should serve as field headquarters for the cartel, and a local shipping firm was asked to act as general agent for the bloc ships. Plans drawn up at this meeting covered the area between the Red Sea and the Far East, with fleets pooled in effect into one bloc line with coordinated schedules. Even ports with uneconomic cargo potential would be served, and freight rates would be cut as necessary. Communist China did not actively participate in establishing the cartel, but reportedly planned to join in January 1961.

During the Rangoon meeting, the East German shipping service began advertising the initiation of regular monthly service between Burma and Europe, including the UK. The German ships began loading substantial cargoes at lower than normal rates, and Western shippers eventually had to lower their rates. The rate was continued until mid-1961, when several of the East German ships were switched to the 25X1 Cuba run.

In December 1960, a new Soviet commercial counselor--a former employee of the USSR's shipping service--was accredited to Burma, where he had arrived a few months earlier to handle the preparations for establishing

the bloc shipping cartel. Subsequently, Czechoslovak and Rumanian merchant ships made runs to Southeast Asia, and joint shipping companies were formed by Czechoslovakia and Communist China with Cambodia. Polish ships--which had not called at Bangkok for more than a year after the Thai Government closed its ports to ships from bloc nations with which it did not have diplomatic relations--were invited to resume stops at Bangkok; this was a retaliatory move by the Thai Government against the high freight rates of Western shippers. China, which still finds it necessary to use a large number of chartered Western ships for its domestic coastal traffic, put its ships into the international trade on a China-Ceylon run with calls at Indonesian and Burmese ports.

Present planning indicates that the USSR will operate 12 to 15 ships between the Black Sea and Thailand or Singapore, with calls at all Southeast Asia countries as well as Persian Gulf and Red Sea ports. 25X1

China plans eventually to put 15 to 20 ships into the cartel, utilizing the China-Ceylon run as the basis for its operations and adding calls at Cambodia. Ships of the European satellites are to operate on the entire route from China to the European continent, but plans are not firm as to the number of ships to be employed. 25X1

Warsaw is somewhat reluctant to participate in the cartel, but probably will comply if the USSR insists.

Soviet officials continue to plan to make calls on the route regardless of profitable amounts of cargo and to cut rates below those of Western shippers. Moscow hopes to have an agency established in time to put Soviet ships on the run in January 1962. (Prepared by ORR) 25X1

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BLOC ECONOMIC AND MILITARY RELATIONS WITH MALI

An economic credit of \$75,500,000 extended by Poland to Mali in November brings total bloc assistance to that country to well over \$68,000,000. The recent visit to Moscow by Malian Secretary of State for Defense Diakite and Armed Forces Chief of Staff Soumaré suggests that an additional arms agreement may be forthcoming. Such an agreement would probably include Soviet assistance in the field of military air transport. The USSR and Czechoslovakia have already achieved a dominant position in Mali's civil aviation through the provisions of commercial aircraft, operational and maintenance crews, and an aviation training program for Malian personnel.

The USSR made the first bloc aid commitment to Mali in March 1961 with a \$44,400,000 economic credit. The credit is to be used for mineral prospecting, navigational improvements on the Niger River, establishment of a technical training center, construction of a cement plant, and survey for a railway line linking Bamako with Guinea, where a similar bloc project is under way. The USSR also has provided a variety of commercial aircraft under a separate credit of \$4,000,000.

The Soviet credits were followed by the announcement in June of a Czech credit of \$12,500,000. Most of this credit--\$10,000,000--is to be used for the construction of several small industrial installations including flour mills, a textile manufacturing complex, and assembly plants for agricultural machinery and

bicycles. The remainder was earmarked for the purchase of Czech commercial aircraft and the training of Malian pilots.

No specific projects have been mentioned in connection with the Polish credit, but it is likely that this aid will be used for the construction of such small-scale industrial plants as are included under the Czech agreement.

In addition to these credits, an agreement was signed in September formalizing Peiping's earlier offer of economic and technical cooperation with Mali. No details have yet been announced.

The most significant in-road the bloc has made to date has been in the field of civil aviation. Mali now has acquired two IL-18s, three IL-14s, five AN-2s, four MI-4 helicopters, and ten Czech light transports. A complement of more than 100 Soviet personnel operate and maintain the Soviet planes, and Czechoslovakia has provided crews for the Aero-145s as well as two flight crews for Mali's DC-3s. Approximately 88 Malians are receiving aviation training in the USSR and Czechoslovakia. There appears to be little progress on other Soviet and Czech projects, with the exception of the arrival of Soviet experts who will survey a route for the railway and prepare plans for it.

The bloc is accelerating its efforts to provide technical assistance to Mali. Czechoslovakia readily responded to a Malian need for banking experts, after a request to Switzerland was rejected. This

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has been followed up with the provision of a four-month finance and banking study program in Prague for 12 Malians--at the expense of the Czechoslovak Government. East Germany is providing training for two Mali radio technicians, and several East German technicians have just completed the groundwork for installing television facilities in Mali. Bulgarian experts have been working to coordinate the functions of the Malian Ministries of Public Works, Transport and Commerce, and the State Trading Company.

Trade between Mali and the bloc has been negligible. In early 1961, however, Mali announced its intention to sell nearly all of its 1960-61 peanut crop--about 50,000 metric tons--to the USSR and Czechoslovakia rather than to France, its traditional customer. Dur-

ing the past year bloc commodities--Czechoslovak trucks, sugar, and flour--appeared for the first time in Mali. With the implementation of various trade and aid agreements concluded with the bloc, Malian imports of bloc goods and equipment can be expected to increase considerably.

Since the beginning of the year, Mali has received from the bloc via Guinea small arms and other military equipment including trucks, jeeps, armored personnel carriers, anti-tank and antiaircraft guns, and mortars. Fifteen Soviet military officers are currently stationed in Mali, most of them apparently operating at army headquarters in Bamako. 25X1

EGYPT

In the wake of the most serious setback of his career--Syria's secession two months ago--Egyptian President Nasir has undertaken a series of domestic and foreign policy moves aimed at restoring his prestige and recapturing the dynamism of his socialist, neutralist, pan-Arab programs. The Egyptian leader in the past has demonstrated a remarkable ability to turn short-run defeats into longer range victories, and he may succeed in doing so again, although he faces more difficult problems than ever before.

Even while having to act to safeguard his regime at home, Nasir is characteristically trying to shift back onto the offensive in foreign as well as domestic affairs. His tactics for eliminating

the potential base in Egypt for a coup against him have included a shake-up in the military officer corps, arrest of "reactionaries" or sequestration of their property, and a cabinet revision which concentrates power in his own hands and those of a few of his veteran, trusted associates.

The essence of his shift in domestic policy has been an increase in his drive toward implementation of socialist economic goals. No wealthy class is to exist--the properties of some 650 rich individuals have been seized; the government is to own or control all significant economic enterprises; and private capital investment, foreign or domestic, is to be encouraged only under arrangements providing for government direction of its use. The first steps

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have been taken toward revision of the National Union--Nasir's single-party political system--to assure that conservative and anti-regime elements are eliminated, and that workers and peasants are given greater representation.

The regime has announced some token measures for immediate improvement of living conditions, but it is in serious economic trouble. Its chronic balance-of-payments difficulties have been increased by poor crops, and it has had to request large quantities of PL-480 wheat, rice, and short-staple cotton from the United States.

Nasir's position in the Arab world has been sharply weakened, with the governments of Syria, Jordan, Saudi Arabia, and, to some extent, Iraq, now lining up in a loose anti-Nasir coalition. He has launched new subversive and propaganda efforts aimed at fostering the overthrow of these regimes; so far, however, he seems to have made little headway.

In the broader field of foreign affairs, Nasir is pressing hard to retain his stature as the chief exponent of "positive neutrality" and as a key figure among the leaders of nonaligned nations. His insistence, despite Prime Minister Nehru's reluctance, on staging a meeting with Nehru and Tito in Cairo on 19 November was indicative of the importance he attributes to demonstrating his role as a ranking neutralist leader. His hypersensitivity in this field was shown by a flurry of Egyptian press attacks on President Kennedy for including in a recent speech a remark which Nasir chose to interpret as a US attempt to exert pressure on neutralist governments.

Nasir has made it clear that he intends to continue his

suppression of local Communists. One theme of Egyptian propaganda broadcasts has been the danger of a resurgence of Communist strength in Syria. Although Nasir was obviously nettled by the Soviet Union's quick recognition of the new Syrian Government, relations between Egypt and the USSR have apparently not been impaired

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As regards Africa, Nasir remains determined to support all movements for ousting the remnants of Western colonial influence and for encouraging the emergence of independent nationalist governments following policies as close to his own as possible. With regard to the Congo in particular, this means support of UN measures to assist the Adoula government in bringing Katanga under its control; however, it also means support of Gizenga, whom Nasir continues to regard as leader of the true Congo nationalist elements--the elements which Nasir hopes will one day control the whole country.

In line with his attitude toward emerging noncommitted nations, Nasir is sure to continue intermittent propaganda blasts at the "imperialist" Western powers for allegedly interfering in the affairs of the small independent countries. This tactic also serves the purpose in Egypt itself of directing attention toward the imperialist bogeyman and away from shortcomings in the regime's own internal accomplishments. A current, if somewhat special, case in point has been the flamboyant propaganda handling of the arrest of the members of an official French mission in Cairo. The Egyptian press has alleged that they were "running a complete French espionage and sabotage network...which had even drawn up a plan for an attempt to assassinate President Nasir."

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****COSTA RICA**

Increasing bitterness among the three major candidates in Costa Rica's presidential election on 4 February raises the possibility of violence in what is normally the most stable of the Central American republics. The Echandi government may be unable to prevent outbreaks of fighting during the final weeks of the campaign as well as in the immediate post-election period.

An element of particular concern to the government is the shortage of foreign exchange reserves, attributable in part to a recent devaluation of the national currency and to reduced income from exports of coffee and bananas, the country's chief cash crops. As a result, President Echandi lacks operating funds to implement needed security measures. Costa Rica's only security forces consist of approximately 2,400 ill-equipped and poorly trained men, whose capabilities and functions are closer to those of a civil police force than to those of a professional military organization.

Current political antagonisms go back to the 1948 election campaign and the civil war which followed when the defeated adherents of ex-President Rafael Calderon Guardia sought unsuccessfully to annul the election of Otilio Ulate to the presidency. Calderon and Ulate are

again competing for the presidency, while Jose Figueres, who led the 1948 uprising which secured the presidency for Ulate, is backing Francisco Orlich, an unsuccessful presidential candidate in 1958. The small but active Popular Vanguard (Communist) party is split over whether to support Calderon--for whom it fought in the 1948 uprising --or back the People's Democratic Action party, a new Communist-front grouping.

Members of the Ulate and Orlich camps were unsuccessful in prolonged efforts to unite their parties behind a single presidential candidate before the 20 November deadline. As a result, none of the three major presidential candidates may win the required 40 percent of the votes, and a runoff election may be necessary.

Costa Ricans, proud of their strongly democratic traditions and their relatively high degree of political maturity, usually have managed to reach a peaceful compromise in their political disputes. Rancor between Figueres' National Liberation party and Calderon's Republican party now is so deep, however, that each has recruited an armed "security committee" to protect its interests. Electoral tampering by either side --or the suspicion thereof-- could easily lead to an armed struggle.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SPECIAL ARTICLES****SOVIET EDUCATION IN TRANSITION**

Soviet education today is in transition from the system established in the 1930s, which was geared to preparing a relatively few students for higher education, to a system, envisioned in the 1958 education law, designed to supply the economy with skilled workers as well as highly trained specialists.

Under the old system, a seven-year education was compulsory, but before 1958 only 80 percent of Soviet school children went as far as the seventh grade. At that time one third of the 14-16 age group went on to secondary school, and approximately one-third of the secondary-school graduates were absorbed in higher educational institutions (VUZ). Labor reserves schools provided vocational training for some adolescents, and technicums provided semiprofessional training for others. The majority, however, were, in Khrushchev's words, "unprepared for practical life," since the general education schools were oriented only toward study in a VUZ.

The 1958 educational reorganization was aimed at raising the level of skills of the labor force and at eliminating the distaste for physical labor exhibited by many youths to whom an academic education meant white-collar work, prestige, and financial rewards. At the same time, it sought to preserve the level of excellence already achieved in the training of specialists in higher education institutions, while linking this training more directly to the immediate needs of the economy.

The Education Law

The 1958 law extended universal compulsory education from seven to eight years but ordered the addition of labor training for all grades. Under the new system, graduates of the eight-year schools who do not immediately enter the labor force may go on, as in the past, to the three-year secondary polytechnical school, to the three- to four-year technicum, or to the one- to two-year trade school. The secondary school and the technicum provide further labor training, and graduates are to be equipped with a trade as well as an academic education.

In higher educational institutions, preference is to be given to applicants who have worked in production, and regular (day) VUZ classwork is to be interspersed with work in the economy.

For workers, evening and part-time classes and correspondence courses for secondary-school and VUZ-level work are to be expanded, and those enrolled in them are to be granted special privileges such as a shortened workweek and time off for examinations.

In the reorganization the regime made provision to meet its need for highly trained specialists. Gifted students are given special training in secondary schools through "scientific circles"--state-organized extracurricular groups designed to stimulate interest in the sciences and to augment the regular curriculum. Moreover, several secondary schools are experimenting with special

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differentiated curricula which provide concentrated work in mathematics, the humanities, or the sciences. Under current regulations, 20 percent of first-year VUZ students in the sciences can be admitted through competitive examinations without previous work experience. This percentage is set by the regime and can be raised or lowered from year to year to meet the need for highly trained specialists.

The changeover to the new system was to begin in the 1959-60 school year and be completed "in three to five years." The first two years of this changeover have brought to light transitional difficulties necessitating adjustments in the program, and some reluctance to accept change on the part of those affected by it. The reorganization goals, however, have not been modified.

Elementary Schools

In converting seven-year to eight-year schools, the regime has been faced with the need to expand full-time day enrollment in already inadequate school facilities. Many schools have been forced to work on a three-shift basis. Moreover, the population of the USSR between the ages of 7 and 14 is increasing by about 2,000,000 annually. According to the Russian Republic (RSFSR) Council of Ministers, one third of the seven-year schools in the republic had been converted to eight-year schools by July 1961.

To meet the need for more teachers, a special one-year

course in pedagogy for secondary-school graduates is being instituted. Graduates may teach in primary schools at the same salary as graduates of the regular four-year teachers' colleges, and are to be automatically admitted to night classes of teachers' colleges. Persons having a higher education in other fields can qualify as teachers by taking the last year of regular teachers' college without preliminary examinations. Enrollment in the regular teachers' colleges is also to be increased.

There has been some public criticism of certain aspects of the reorganization. Parents and teachers have expressed fears that the addition of labor training to the academic curriculum has overloaded school children. A widely publicized check on work schedules in elementary and secondary schools last fall revealed that school children had insufficient time for sleep; in some schools they fell short of the desired minimum by as much as three hours a night.

Ye. I. Afanasenko, RSFSR minister of education, has warned that "some schools" are slighting academic subjects, especially in the humanities, in favor of labor training which is too arduous for children.

The press has also noted difficulties in finding employment for the 15-year-old graduates of eight-year schools. Under Soviet labor laws, minors may work no more than four hours a day until they have passed age 15, and no more than six hours until after age 17. They may not work night shifts or overtime, and may not be assigned

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to heavy or dangerous work. Enterprise managers are said to be increasingly reluctant to hire such graduates. In some areas, enterprises have recently been assigned a yearly quota of eighth-grade graduates whom they must employ.

Secondary Schools

The RSFSR Council of Ministers announced in July that about one third of the general secondary schools (grades 8 through 10) in the republic had been converted to polytechnical schools (grades 9 through 11) with industrial training. The rate of conversion throughout the USSR is somewhat higher--about half of the total.

Day enrollment in secondary schools declined rapidly from 1955 to 1960, however, partly because of the emphasis on part-time and correspondence courses for secondary education. In 1960 day enrollment constituted only one fourth of the 15-17 year age group as compared with one third in 1958 and almost one half in 1955. The conversion process has thus been eased considerably by a relatively small student body.

Plans call for an increase in secondary-school day enrollment during the current Seven Year Plan. The new program discussed by the 22nd party congress calls for universal compulsory secondary (11-year) education in the next ten years but notes that not all students will attend full-time day schools.

Soviet educators have commended labor training in second-

ary schools for the increased independence and sense of purpose it has evoked. Not only are students equipped with an employable trade, but their academic training is said to be more meaningful.

Some concern has been expressed in both Pravda and Izvestia about academic standards in the polytechnical (general education) schools, which devote one third of their time to labor training. The director of the Moscow Aviation Institute complained that recent secondary-school graduates are inadequately prepared for higher education: "Gaps have been noted, especially in their knowledge of mathematics and physics. Some schools probably have relaxed their struggle for the deep knowledge of the foundations of science during the course of the reorganization of their work."

There has also been criticism of the quality of labor training in some polytechnical schools. The directors of four such schools wrote in Komsomolskaya Pravda, organ of the Soviet youth organization, that students assigned to factories are "most often" regarded as nuisances by the workers. The students stand behind the workers, merely observing, which has led to a new term--shoulder-boy. In order to minimize payroll expenditures, managers often assign them to the lowest paid jobs, fail to record their work on paysheets, or leave them "altogether idle."

A decree in March ordered all enterprises in the RSFSR

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to allocate accommodations for production training of students in polytechnical schools, and efforts are being made to systematize and improve the quality of the training the students receive.

The four school directors also complained that schools which attempt to organize production training on their own premises must beg raw materials and machines from nearby plants. "It is no secret that the schools now are the owners of a unique collection of obsolete machine tools of the 1920s and 30s." The directors' reaction to their "interesting" experience: "After two years we have reached the conclusion that most often individual on-the-job training does not meet our lofty requirements. We have been obliged to abandon it."

The USSR Council of Ministers in June criticized the lack of coordination between training programs and industrial needs, and ordered increased construction of training workshops. It also authorized eighth-grade graduates to apply for the ninth grade of any school offering production specialties which interested them. Heretofore, an eighth-grade graduate had been forced to learn whatever specialty the secondary school in his own school district happened to offer.

The polytechnical school apparently is not overwhelmingly popular with students and parents. The four school directors noted that last year there was "real competition," even

among students already attending polytechnical schools, to enter those ten-year schools which had not been reorganized.

The journal Young Communist recently demanded that parents stop complaining about the underpayment of their children for factory work. Parents have also protested that the use of school children to "help" with the harvest disrupted their education. Last fall, the opening day of rural schools was quietly changed from 1 September to 1 October, apparently so the children could participate in the harvest without the distraction of school.

Higher Education

According to V. P. Yelyutin, USSR minister of higher and specialized secondary education, the proportion of first-year students in full-time (day) higher educational institutes who had already had work experience rose from 28 percent in 1957 to "almost 60 percent" in 1961. Enrollment in full-time VUZ has remained stable for the last six years, while part-time and correspondence course enrollment has expanded.

In July, Yelyutin reported that higher education had been "substantially" reorganized. Curricula have been revised to tie the VUZ program closer to the needs of the economy, and new technological courses have been organized. In addition, "provision has been made" for a more thorough study of higher mathematics, physics, and other sciences. Yelyutin especially praised the maturity of students

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whose production experience enabled them to approach scientific questions "with great depth."

The VUZ reorganization may not yet be as nearly completed as Yelyutin indicates. In March, M. A. Prokofyev, Yelyutin's deputy, accused "some VUZ administrators and professors of trying to eliminate production work for students altogether, and commented on the persistence of the "erroneous view" that university, pedagogical, and medical education is not affected by the new law.

The director of the Moscow Aviation Institute also charged that the VUZ had lowered their own academic work standards in their attempt to accommodate larger numbers of often ill-prepared students "from production." A professor at the Kuibyshev Civil Engineering Institute joined him in criticizing secondary schools which "deceive" students with diplomas they have not earned and VUZ examiners who accept poorly prepared "pedagogical risks" in giving preference to those with work experience.

Personal contacts between students and industry in the interspersal of work and study have not been entirely happy. Komsomolskaya Pravda recently urged that changes be made in those plants "which play the role of stepmother rather than solicitous mother to the student and treat him as an ordinary worker. On the other hand, the Herald of the Higher Schools in June warned that changes must be made in those shops which had arranged for special handling of students, since "this has an unfavorable effect on relations between workers and students." 25X1

Part-Time Study And Correspondence Schools

Enrollment in part-time correspondence courses for secondary school and VUZ work expanded from 3,700,000 in 1958 to 5,000,000 last year, and accounted for 51.8 percent of the total VUZ enrollment in the 1960-61 school year. However, many of the transitional difficulties encountered in the rest of the school system have been compounded for part-time and correspondence courses. RSFSR Education Minister Afanasenko in July cited a dropout figure of 60 percent in "a number" of part-time schools.

Prospects for the Future

Although the reorganization may not be completed within the three to five years set by the 1958 law, there is no doubt of the regime's continued belief that the new policy meets current needs. Many of the difficulties encountered thus far, such as shortages of classrooms, teachers, and equipment, can be solved in time with the allocation of additional funds. The unfavorable reactions of the public and the teachers have not been sufficiently serious to force major revisions of the program, although some adjustments may be made in the proportion of academic work and labor training provided during the school year.

There is no evidence that the reorganization has endangered the over-all excellence of VUZ training of specialists, and as the transitional difficulties are solved, the majority of those students who are not destined to be specialists will be better prepared to join the ranks of industrial and agricultural workers.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****GREATER MALAYSIA**

During talks in London from 20 to 23 November, British Prime Minister Macmillan and Prime Minister Tunku Abdul Rahman of the Federation of Malaya reached general agreement on the proposal for a "Greater Malaysian Federation." This scheme, sponsored by Rahman and Prime Minister Lee Kuan Yew of the State of Singapore, would combine Malaya, Singapore, and the British Borneo territories into a single nation within the Commonwealth. A study commission has been established to ascertain the views of the peoples of North Borneo and Sarawak and to consult with the Sultan of Brunei.

According to British officials in Singapore, the study commission is scheduled to begin its consultations in Sarawak and North Borneo in January and is expected to give its report within three months. Through special concessions to the indigenous peoples, Rahman is expected to gain approval from the two territories, although their Chinese residents will continue to oppose the merger. Similarly, through direct negotiations with the Sultan, he expects to gain approval from Brunei.

Originally, observers expected the new federation to be formed in 1963, when talks are scheduled for changes in Singapore's constitutional status. It now appears probable, however, that the Greater Malaysian Federation can be established on 31 August 1962, the National Day for the Federation of Malaya.

The new federation will have a combined population of almost 10,000,000 and an area of 130,000 square miles. By Asian standards it will have a strong and diversified economy based on the tin, rubber, and developing industrial base of Malaya, the advanced industrial and entrepot activities of the port of Singapore, and the

petroleum, mineral, and forestry resources of Borneo.

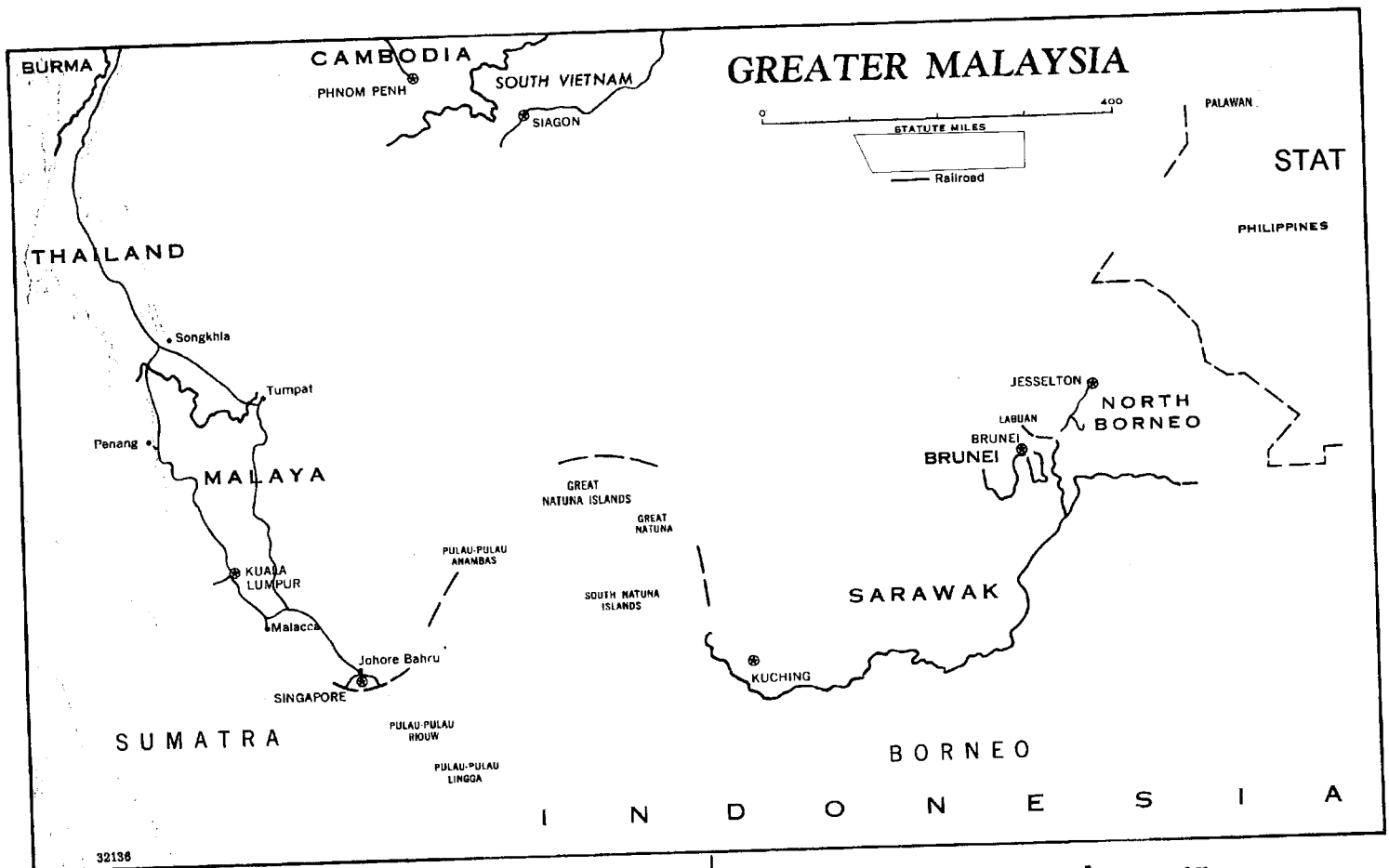
Malay Views

Since the British returned to Malaya at the end of World War II, they have favored the merger of Malaya and Singapore as a logical political and economic unit. Malaya's rail and highway transportation facilities terminate in Singapore, and without Singapore's shipping facilities Malaya lacks adequate ports from which to export its raw materials. Cut off from the hinterland, Singapore is incapable of providing employment for its burgeoning population. Although it is far more advanced economically and politically than Malaya, Singapore alone is not economically viable.

Nonetheless, from the outset of London's efforts to make the Malay Peninsula a political unit, the British recognized that Malay fears of being dominated by the Chinese of the peninsula required that Singapore, in the early stages at least, be left out. Even without Singapore, when the Federation of Malaya gained independence in 1957, the Chinese of Malaya dominated the economy and fell just short of matching the Malay population in numbers.

Malay distaste for the Chinese community in Malaya is political and ideological as well as economic and cultural. Despite the traditional abstention of the Chinese from the politics of the peninsula, they appear to the Malay political leaders to be oriented toward mainland China and probably socialist or Communist in outlook. This view has persisted, despite the cooperation of the United Malay National Organization and the Malayan Chinese Association in Rahman's Alliance party government. It was reinforced by the persistence of the preponderantly Chinese Malay Communist party in a

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terrorist campaign, launched in 1948.

The continued leftward slide of Singapore's elected governments since 1956 dimmed prospects that Malay leaders would ever accept Singapore into the federation. This situation changed in May, however, when Rahman presented his formula for the simultaneous merger of the Borneo territories as his price for the acceptance of Singapore. In this proposal the Malay objectives, as always, was to ensure the continued political domination of indigenous peoples over the "alien" Chinese element.

Singapore Views

Singapore's political and economic leaders have been as firmly committed to the concept of merger with Malaya as the Malay leaders have been reluctant to accept the idea. Singapore conservatives and pro-Communists alike have recognized that the island's economic future is dependent on its relations with the peninsula.

Political merger and common citizenship have been viewed as most desirable, but, failing this, the minimum of an economic union has been urged.

Ever since 1956, when Singapore first had a wholly elected legislative assembly, Singapore's political leaders, in order to get elected, have had to appeal not only to anti-colonial sentiments but to the social welfare demands of Singapore's large labor vote. Once in office, however, they have had to reassure the capitalist elements which provide the economic base for the state's survival. As a result, election campaigns have called for radical economic and social changes, whereas the governments elected have run moderate administrations. In each successive election, however, the party in office has been defeated and each administration has nominally represented a more extreme socialist orientation and become less acceptable to the Federation leadership.

Nonetheless, all political leaders have recognized the need

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for developing Malay approval, and they have attempted in every possible manner to "Malayanize" the Singapore population. The most notable effort to date has been in education, and the government has encouraged the overwhelmingly Chinese population to use the Malay language.

Merger Proposal

The essential elements leading to Malayan approval of some type of merger with Singapore at this time appear to be the decision by Rahman that he can work with Prime Minister Lee and his judgment that any change in Singapore's leadership would bring in a less desirable government--specifically one led by the pro-Communist leader of the Socialist Front, Lin Chiesiong. Rahman's scheme, which has been accepted in principle by both Lee and Macmillan, is that under the Greater Malaysian scheme the federal government will have responsibility for defense, foreign policy, and internal security, while Singapore would retain control over education and labor.

Further special arrangements, which differentiate Singapore from other states in the federation, include maintenance of Singapore's free port status and its present form of internal government. As Singapore is expected to hold back a portion of its local revenues for its specialized activities, its preliminary representation in the federation lower house is set at 15, instead of the 25 seats to which its population would entitle it. Like the other states, Singapore is to have two senators.

Singapore's leftists, so far, have been unable to attack the principle of merger with Malaya, as they are on record favoring it. Under the current terms, however, they face the strong prospects of being suppressed, following merger, by the stricter rule, expected from

Kuala Lumpur. Therefore they have started a campaign against the provision which surrenders Singapore's control over its own internal security. This concession and the reduced representation in Kuala Lumpur, they charge, will render Singapore residents "second-class citizens" in the new federation.

Under present circumstances, the leftists have little chance of defeating the merger proposals in the legislature and could block the plan only by overthrowing Lee's government through illegal strikes, demonstrations, or riots; they appear to have the organization and popular support to attempt such action. If they should attempt violence, however, Lee, with the aid of British forces in Singapore and Malaya, would probably be able to maintain control. Moreover, such illegal action would provide Lee with grounds for suppressing the leftists and interning their leaders.

Borneo Views

When Rahman and Lee announced their merger proposals, they received little support from the politically undeveloped territories of North Borneo, Brunei, and Sarawak. In fact, public opinion, so far as any has developed, opposed association with either Malaya or Singapore. Before any merger considerations, the three territories wanted more local self-government. In this preference the territories were supported by British officials there. The Sultan of Brunei was reluctant to merge his state's petroleum wealth with the poorer economies of Sarawak and North Borneo, and the Sea Dayak people of Sarawak showed little desire to place themselves under the domination of their former alien overlords, the Malays. Only in North Borneo did there appear to be nominal support for the merger.

Much of the reluctance remains, and it is impossible to

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prepare the Borneo residents for full self-government before the merger. Rahman, however, through conferences and explanations, already has prevailed on most Borneo political leaders to give qualified approval of the scheme. Fuller support should emerge from the study commission's findings.

The Singapore Base Problem

In all early merger discussions the future status of Britain's military bases in Singapore has appeared the most difficult of solution. One of Rahman's provisos is that control over these bases be transferred to the new federation. Although some troops are stationed there, Singapore's chief military importance lies in its three airfields--used both for staging and operations--and the naval base. The difficulty lay primarily in the prospective use of the bases by forces, Commonwealth and others, committed to SEATO, and secondarily in the British need for Singapore's naval repair and logistical facilities to support operations in the Middle East as well as the Far East.

Neither Rahman nor Lee could formally approve the use of the base facilities by SEATO. Malaya is not a member of that organization, and Rahman is convinced that the domestic political repercussions of approval for SEATO use would severely damage his government. As his party received only 51 percent of the popular vote in 1959, he would not risk further defections.

The base problem appears to have been resolved in London, without reference to SEATO. The Rahman-Macmillan communiqué of 23 November announced, "It was, however, the belief that the Government of the Federation of Malaya will afford to the Government of the United Kingdom the right to continue to maintain bases at Singapore for the purpose of assisting in the defense of Malaya, and for Commonwealth defense and

and for the preservation of peace in Southeast Asia."

Following the issue of the communiqué a high British Foreign Office official stated that London had obtained everything anyone could have wished from the talks.

As Malaya's leaders are as firmly opposed to the spread of Communism in Southeast Asia --and as fearful of its impact on Malayan security--as are President Diem of South Vietnam or Prime Minister Sarit of Thailand, it may be that the last clause of this communiqué will be interpreted to allow the continued use of the bases to SEATO powers without reference to the SEATO name.

Problems and Prospects

After the merger is formally declared, Greater Malaysia will still face many problems before it becomes in fact a united nation. There is a large gap between the economic advancement of Singapore and the underdeveloped status of the Borneo territories. Communal antipathies, already the gravest threat to the stability of Malaya, will be complicated.

In addition to the Malay-Chinese conflicts, moreover, the merger will introduce conflicts between the Malays and the indigenous peoples of Borneo. Rahman's plan to keep control over the Chinese through the combined vote of the Malays and other indigenous peoples may backfire--the combination of Chinese and indigenous votes could make the Malays a minority in their own country. The introduction of the Borneo territories could lead to the ultimate collapse of the federation in a manner similar to the likely disintegration of the West Indies Federation next year (Jamaica, always a reluctant member of that grouping, voted in September to secede). The Malays, architects of the Greater Malaysia scheme, could, if outvoted in the parliament, 25X1 once again insist on the mainland's separation from Singapore and Borneo.

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